MSM RESPONSE TO TRAI CONSULTATION PAPER ON ADVERTISEMENTS ON TV CHANNELS

A. PREAMBLE

TRAI's Consultation Paper ("***CP***") for making certain recommendations in regulating advertising time and format of advertising on television channels does not fully appreciate the dynamics of the television broadcasting business in India. The attempt to equate the Indian television broadcasting industry with certain foreign jurisdictions and to enforce their regulations is misplaced.

Television broadcast the world over is used as entertainment and sports by viewers and these broadcasts also carry advertisements unless funded by public money. Viewers are then exposed to advertisements as a side product of their consumption of the entertainment content. The entertainment content is paid for by advertisers who use the intermediary of the broadcast company to deliver messages to the advertising firms' prospective customers. This model may be described as a "two-sided market with network externalities" where the intermediary, the broadcast company, is a "platform" that needs to get both sides on board in order to generate revenues. That is, the broadcaster must deliver viewers to advertisers and does so by judicious choice of the level (and perhaps the type) of advertising it proposes along with an attractive enough vehicle to attract the prospective buyers of the advertisers products to watch. Competition with other broadcasters (other platforms), is also an important feature of the competitive landscape. Market forces ensure that a broadcaster takes into account the extent to which increasing the number of advertisements shown will cause viewers to switch off or switch channels, and this decision also impacts the amount of revenue raised per viewer from the advertisers. No broadcaster will therefore increase the number of advertisements beyond a point that will cause viewers to switch off or move to another programme. This is true of India as it is in the rest of the world. Hence for TRAI to view advertisements by broadcasters in India as an inherent nuisance that impedes viewing reflects what appears to be an imperfect understanding of the business model of the broadcasting industry.

TRAI while coming to the view that advertisements interfere with and affect the quality of a viewer's television audio visual experience, ignores the social benefits of advertising: the fact that advertising educates customers about goods and services and enables them to exercise their choice based upon a better understanding of the product or service and of the availability of their substitute and supplementary goods. Advertising in India is a major source of revenue for broadcasters as the distribution market with overly restrictive price controls and tariff regulations that cap channel pricing at abysmally low levels denies broadcasters a fair share of distribution revenue. It also enables broadcasters to offer superior and differentiated content to their viewers at an affordable price. Capping advertising will lead to poor quality programming and absence of diversity as it will reduce broadcaster profitability. Reducing advertising time will reduce overall advertising inventory leading to a situation where fewer products will be advertised squeezing out smaller brands from the consumer's vision. In short it will be short sighted and fatally flawed.

B. BACKGROUND

Before submitting our response to the points raised in the CP, we believe it is important to summarise TRAI's own position on capping of advertising and set out a few pertinent related issues faced by the Industry.

B.1 TRAI's Recent Position and Recommendation

In **Petition No. 34(C) of 2011** in the **TDSAT** filed by a society called Utsarg against TRAI and several other broadcasters and content aggregators seeking a cap on television advertising time on the ground that these advertisements interfered with viewership of television programmes, TRAI in its considered response as late as 22nd February 2011, articulated the following position:

> *"9. That it is submitted that Government of India vide its order [S.O. 45(E)] issued on 9.1.2004 specifically sought recommendations of the answering respondent (**TRAI**) on "... the parameters for regulating maximum time for advertisements in pay channels as well as other channels ... ."*
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> *10. That **after following a consultation process (emphasis supplied)**, the answering respondent (TRAI), inter-alia, **formulated its recommendations on the issue of maximum time for advertisements in TV** (emphasis supplied). In Section 8 of the Recommendations dated 1st October, 2004, on "Issues Relating to Broadcasting and Distribution of TV channels", at paragraph 8.9, the answering respondent (TRAI) mentioned that the Authority has obtained average advertisement time from the pay channel broadcasters. **Almost all channels have reported an average advertisement of 10 to 12 minutes per hour which is within the limits laid down in global regulations (emphasis supplied)** on advertisement time .. . In paragraph 8.11 of the said recommendations it has been mentioned that "... The primary objective of the policy is to give consumer choice and good quality service at affordable prices. To ensure affordable services to the consumers, the Authority has regulated the subscription fees of television channels .... **Besides regulating subscriptions, regulation of the advertisement time and its corresponding affect (sic) on revenues of broadcasters may hamper growth and competition in the broadcasting industry** (emphasis supplied)**... ."***
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> *11.That considering all the aspects of the matter, the answering respondent (TRAI) in its recommendation dated 1.10.2004, had recommended as under:*
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> > *8.15 .. (i) **There should not be any regulation at present on advertisement on both FTA and Pay channels (emphasis supplied).***

This was TRAI's considered position in February 2011. However in less than a year after making this submission to the TDSAT, TRAI has come out with a recommendation proposing drastic curbs on advertising time, reducing the time for Pay Channels by 50% from 12 minutes to 6 minutes per hour and proposing various other restrictions on how broadcasters must telecast advertisements. TRAI has offered no explanation for this about turn Even though there has been no change in this period in the regulations in any of the countries cited by TRAI in its CP.

B.2 TRAI's Past Position and Recommendations

In 2004 TRAI took the position that capping advertisements would put additional costs on Pay TV Broadcasters and had stated in Para 8.11 of its report that " ***Besides regulating subscriptions, regulation on the advertisement time and its corresponding revenues for broadcasters may hamper growth and competition in the broadcasting industry*** " (emphasis supplied). In Para 8.10 after quoting from experience in Thailand, TRAI had observed:

"Additionally *the regulation of advertisement time, typically drives up subscription fees. .... Therefore, the advertising rates reduce subscription fees for consumers. The restriction on advertisement time would either result in increase in subscription fee or affect the variety and quality of programming.*"

TRAI's observations are as relevant today as when they were made in 2004 and reiterated in 2011.

B.3 Live Sports Broadcasting

TRAI in its present recommendation fails to appreciate the dynamics of live sports broadcasting and its symbiotic nexus to sponsorship- both broadcast and on ground. TRAI fails to consider empirical data that sports events globally survive and thrive only because of sponsorship. Ticket sales no matter how variably priced cannot meet the cost of organising events on the scale of a Cricket World Cup, an FA Cup, a World Cup Soccer, the English Premier League, the Europa League, Wimbledon, Formula 1, etc. Without sponsorship none of these events would have become the iconic world famous events they now are. It is primarily through funding from sponsors that the quality of these competitions has become world class attracting the world's best athletes to compete fiercely with each other much to the viewing pleasure and delight of spectators on the ground and around the world watching television. Sponsors on their part advertise in these events to reach a heterogeneous and diverse global audience. No sponsor will advertise on television if it is restrained from advertising its products or services during the live event/match which is "prime time" for viewers. Without sponsorship no game whether it is cricket, football or hockey can survive at the highest level.

All major sporting events look to zealously protect their "brand" and increase their audience even if this means putting contractual obligations on the various rights licensees are granted to ensure uninterrupted live coverage of the event. Later in this response we have explained the manner in which certain event organisers do this. Suffice to state that these contractual obligations ensure that viewers are not short changed and get to watch all the live action as it unfolds. The event organisers realise the value of retaining their viewers in a manner no amount of regulation can. .

TRAI fails to comprehend another fundamental aspect of sports rights licensing. Broadcast rights for marquee sports events are usually bid for a long duration to build relationships with licensees and their sponsors, usually 5 to 7 years at a time. These rights encompass entitlements to advertising inventory based on which the broadcaster evaluates the cost and benefit and makes his bid. When the bid is made, the broadcaster has assumed a certain amount of advertisement inventory which he will monetise to recoup his investment in acquiring the rights. Even apart from the fact that capping advertising time for sports events is a bad idea; a sudden and abrupt regulatory change in capping advertisement time can lead to contractual defaults depriving broadcasters of their rights affecting their fundamental rights to carry on business.

B.4 Impact of Distribution Price Controls

TRAI as the regulator introduced tariff and pricing restrictions on distribution of television channels in 2004, and complex "must provide" and other inter-connect obligations, putting caps on the MRP of television channels in CAS areas at Rs. 5 per channel (since increased by 0.35 paise after seven years- out of which the broadcaster's share is Rs. 2.25 per channel) and capped distribution revenues on analogue and digital platforms thereby foreclosing growth in distribution revenues. And now without any change in the tariff structure on distribution, TRAI proposes drastic curbs on advertising revenue also. These new recommendations will sound the death knell of the broadcasting industry, struggling as it is in a highly fragmented and price sensitive market, with extortionate carriage and placement demands from operators.

TRAI proposes 12 minutes of advertising time for FTA channels and just six minutes of advertising time for Pay channels. In short TRAI expects distribution revenues for Pay channels to double with the onset of digitalisation even with prices being regulated. Digitalisation has not even been rolled out and as per the Government's plan the sunset date for analogue is the year 2014. Hence the recommendation appears to be premature.

B.5 Comparison With Dissimilar Markets

TRAI compares vastly different markets but comes to a common conclusion. Markets such as Malaysia, Philippines, USA, Canada, France, Germany, Australia, New Zealand, UK, Sweden, and Norway have been compared with India to arrive at the formula for capping television advertisement time. None of these markets have price regulation on distribution of television channels. In many of these markets there is a clear distinction between "public" broadcasting and "pay" television. "FTA" in these countries means "free" to the consumer, unlike India where TRAI defines "FTA" as "free to the cable operator". In India subscribers pay for "FTA Channels" as well as "PAY Channels". Yet TRAI treats all these markets as homogeneous. In most of these countries there are no restrictions on the pricing of "PAY" television in the distribution of such channels. In markets closer to India like Malaysia and the Philippines, the maximum time permitted for advertisements is 15 minutes to 18 minutes per hour. Even in so called "developed" markets like Australia it varies from 13 minutes to 15 minutes; in the USA there is **NO** regulation at all (except for children's programmes at specified times); in New Zealand it is 15 minutes, etc. It is therefore not clear from the CP as

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to the basis on which TRAI comes up with a 12 minute cap for FTA channels and a 6 minute cap for pay television. If six minutes include the time for promotion of channel programming, broadcasters will be left with just 3-4 minutes of commercial advertising time per hour. No broadcaster of Pay channels can survive on advertising time of 3-4 minutes even in a 100% digitalised ecosystem.

C. PARAWISE RESPONSE

C.1 TRAI has taken Suo Moto cognisance based on consumer complaints relating to over advertisement without reference to the MIB which is the nodal authority as regards the existing advertisement code under Rule 7 of the CTN Rules.

A. The Cable Television Network Regulation Act, 1994 and the Rules framed there under has already laid down the maximum time for advertisements including promotions as 12 minutes per hour viz. Rule 7 of the CTN Rules.. If the Government believed that the present regulations are not being adhered to, it is for the Government to take action against channels that fail to do so rather than tar the entire Industry with the same brush and reduce advertising inventory by over 50%.

B. TRAI derives its power to recommend caps on advertising based on the 9th January 2004 notification. However, after this notification, Government has inserted Rule 7 (11) of the CTN Rules permitting up to 12 minutes of advertising time per hour of broadcast in exercise of its powers under Section 22 of the CTN Act. Government has therefore exercised its powers to the exclusion of TRAI. Hence there is no justification for TRAI to suo motu make its own recommendations.

C. TRAI as per their own affidavit filed in TDSAT in PIL titled Utsarg vs. Union of India, where all broadcasters were made party has admitted that it has no role in respect of advertising minutage rules.

C.2 TRAI refers to a CMS study to make a case for the need to regulate advertisement.

A. The study has not been made available to stakeholders and hence lacks transparency as mandated by the TRAI Act.

B. The study quoted was only in respect of news channels, as is borne out of the extracts quoted in the CP, and thus cannot be used to draw conclusions is respect of GEC, Sports and other genre channels.

C.3 TRAI asserts that television broadcasting should not be converted into a medium for marketing.

A. Advertisements are not just for marketing rather, they also serve the purpose of informing consumers about the choices available for a product and service.

B. Advertisements serve as a powerful tool for generation of sales of new products and services and hence contribute to growth of the Indian Economy.

C. Capping advertising will lead to poor quality programming and absence of diversity as it will reduce broadcaster profitability. Reducing advertising time will reduce overall advertising inventory leading to a situation where fewer products will be advertised squeezing out smaller brands from the consumer's vision. In short it will be short sighted and fatally flawed.

D. Further TRAI in its recommendations dated 1st October 2004 has concluded that advertisements keep subscription fees low and also contributes to the enhancement of the quality of content.

C.4 Revenue ratio of broadcasters skewed in favour of Ad revenue due to non-addressability, however situation will improve post digitalisation and therefore advertisements need to be controlled.

A. TRAI has assumed that the DAS mandate will be implemented successfully and basis this assumption has gone ahead and proposed to reduce the pay TV advertising to 6 minutes. Even assuming such an assumption was to be true then TRAI should wait till the last sunset date of 2014 before making such an intervention. The same opinion is shared by a journalist, Ms. Vineeta Kohli – Khandekar, who in her article, '*Leave the TV Ads alone, for now*' published in Economic Times calls the CP ill-timed. A copy of this article is attached as ***Annexure A***.

B. Needless to say that the skewed ratio of advertisement vs. subscription has its basis in legacy issues such as under declaration and piracy and ad hoc regulatory interventions by TRAI in form of price caps and 'must provide' regime which ensures that subscription fees are the lowest in the world and continue to decline.

C. TRAI in its recommendations dated 1st October 2004 has given the example of Thailand where restrictions on advertising led to a huge increase in subscription fees, the present CP contradicts the stand taken by the authority earlier while also being in variance with international experience. In TRAI's October 2004 recommendations it has stated that the market has evolved a mechanism to regulate over advertising as any channel which over advertised would lose subscribers. This was based on a study done by Edelweiss Capital on Zee Telefilms. Hence TRAI has failed to explain any justifiable rationale to deviate from its earlier findings of 2004.

C.5 *Reference to International Markets*

The source of such references has not been provided so as to enable a comprehensive review and comparison by the stakeholders. The fact that most of these jurisdictions do not operate under regimes where prices ceilings prevail and thus allows broadcasters far more options even if advertisements are subject to regulation, is a critical factor which cannot be ignored. The recognition of the impact of the prevailing price ceiling regime in India would also explain to some extent the difference in revenues earned from advertisements and subscription that has been observed by the Authority along with the historical challenges like under declaration

i. The reference to some international markets which are fully digitised fails to take into account the market conditions in India; it is out of context to compare the Indian TV industry with that of cited jurisdictions.

ii. It must be pointed out that the reference international markets suffer from a fundamental distortion that makes it in many ways inaccurate. The descriptions of international practice in the paper frequently confound regulations for terrestrial broadcast channels (free) with those pertaining to cable TV and other pay-TV systems. In many countries, terrestrial broadcast channels bear particular obligations, because of their greater social impact, and because terrestrial broadcasters may be publicly funded, or subsidized through free allocations of free, premium-value spectrum. Governments usually maintain different regulatory regimes for free terrestrial broadcasts and pay - TV.

iii. Indian cable TV channels, whether "free" or "pay," do not benefit from public subsidies, and do not bear public service obligations. It is not appropriate to compare foreign FTA regulatory approaches with Indian pay - TV approaches. The confusion on this point introduces substantial errors of fact; for example the paper's description of Australia quotes the wrong Code of Practice – the Commercial TV Industry Code of Practice. The latter does not apply to the cable TV industry, which is governed by Subscription Broadcasting Codes of Practice. In fact, contrary to the paper's assertions, Australia imposes no regulatory restriction on ad-minutes on any pay - TV channel (whether "free" or "pay" in the Indian sense of those words).

C.6 *No FTA channel shall carry advertisements exceeding 12 minutes in a clock hour. For pay channels, this limit shall be 6 minutes.*

i. TRAI has not extended any rationale in recommending the captioned regulation except for drawing an unsubstantiated relationship between two unrelated figures.

ii. There appears to be no logic to reduce the existing permitted limits and thus depriving a certain class of broadcasters of an existing flexibility merely because there is another class of broadcasters who are voluntarily choosing to transmit their channels on FTA basis. In fact, this does not benefit the broadcasters of the FTA channels either since the permitted timelines remain the same for them while merely creating an artificial benefit that does not exist.

Even conceptually, it does not appear sound to argue that resolution of under declaration could logically flow into a need to curb advertisement revenues since they are two separate business streams and models and not substitutable.

iii. TRAI has also failed to take into account the different target audience of FTA and Pay channels as well as the substantial higher cost for acquisition / generation of content for Pay channels. The historical fact of price fixation that is referred to in the CP also evidences that the prices for all pay channels existing at the time were arrived at on the basis of relevant factors, including a certain revenue expectation from advertisements without contemplation of a later discrimination on this basis. Due to the existing ceilings, the broadcasters would not be at liberty to alter pricing of channels and the revenue loss arising out of such a drastic reduction in advertisement time will be huge. No case has been made out by data or principle that could justify such an excessive impact.

iv. TRAI has ignored that the consumer is not aware of which channels are FTA and which are Pay, chiefly due to non-enforcement by TRAI of the QoS for Non-CAS systems dated 24th February 2009. It is worth noting, as the consultation paper rightly does, that from the consumer's point of view all channels are paid. No consumer currently pays more for a "pay" channel than for a "free" one and therefore there is neither justification nor evidence for a consumer feeling that "pay" channels should be treated any differently because someone somewhere up the value chain is paying one type of fee or another. Consumers care for what they pay, not what is paid at the wholesale level.

C.7 Connecting the DAS CP and Tariff with the advertisements on TV channels

The earlier tariffs have never considered advertisement revenue. Further as the tariffs lacked proper research they are all currently disputed.

There is no evidence in the CP which proves a connection between the tariff and the advertisements, thus showing the highly arbitrary nature of the assertion.

C.8 The audio level of the advertisements shall not be higher than the audio level of the programme.

It is submitted that such issue, if at all it is one, is out of the purview of TRAI and it is not empowered to recommend or regulate on these issues. The issue of volume of ad breaks is already addressed vide Rule 7 (6) of the CTN Rules and can be enforced by the MIB, if it so desires. Further advertisements are produced by clients and advertising agencies not by broadcasters. It is for agencies like ASCI and the Indian Society of Advertisers to take up this issue with their stakeholders.

C.9 The limits for the duration of the advertisements shall be regulated on a clock hour basis i.e. the prescribed limits shall be enforced on clock hour basis.

The limits for the duration of advertisements should not be regulated on a clock hour basis and may continue to be regulated on a 24 hours basis in accordance with the extant laws. No basis or data to support the benefit of such a stipulation has been put forth in the CP. At a conceptual level, a change in the existing laws in this regard would not in effect serve the consumers as it is widely known that the viewership patterns differ throughout the day due to which a clock basis approach that would apply universally to all hours would not be logical.

Such a proposal demonstrates the inherent deficiency where *niche* channels such as sports broadcasters have not been considered. A clock hour basis measure would not suit this *genre* of channels where live content is seasonal, limited to a specific period and the natural breaks where advertisement would be appropriate would vary from sport to sport. There cannot be a universal measure when the sports could be as varied as a one day cricket match, T20 cricket match or a soccer match.

C.10 There shall only be full screen advertisements. Part screen advertisements will not be permitted. Drop down advertisements will also not be permitted.

The articulation of the objective in relation to sports broadcasters is presumably to ensure that the viewer is not deprived of the sporting action on the field and there should not be any interference with or interruption of the visuals of the telecast of the sporting action. If that be so, then the only stipulation ought to be that the live action onscreen is visible and distinguishable from the advertisement. If this is followed, the advertisement will not interfere with or cause any impediment in viewing the telecast of a match. To mandate that part screen advertisements are altogether prohibited to achieve this objective would be a disproportionately excessive penal measure.

Further, Rule 7(10) of the Cable Television Networks Rules, 1994, already captures the legislative mandate in this regard by stipulating that advertisements must be clearly distinguishable from the programme and should not interfere with the programme. Therefore, there appears to be no need for further regulation. The extensive international reference points cited in Annexure I to the CP also seem to suggest that the prevailing global practice does not favour total prohibition or even regulation in most cases. It is also noteworthy that this practice is also followed by the national broadcaster Doordarshan, during its telecast of sporting events.

C.11 Regulations of ads in live Sports - In case of sporting events being telecast live, the advertisements shall only be carried during the interruptions in the sporting action e.g. half time in football or hockey match, lunch/ drinks break in cricket matches, game/set change in case of lawn tennis etc.

i. TRAI recommends that advertising in sporting events may only be inserted in interruptions during scheduled breaks during live sporting action. These interruptions are exemplified by making references to half time in football or hockey match, lunch/ drinks break in cricket matches, game/set change in case of lawn tennis, etc.

ii. In proposing the aforementioned recommendations for insertion of ads in live sports TRAI appears to have relied on the Norwegian regime of sports broadcast. As per TRAI (without substantiating or providing the source of such regulation), Norway permits the ad insertion only in 'natural breaks' in live sports broadcast.

iii. We respectfully submit that TRAI's interpretation of 'natural breaks' is erroneous and the recommendations for ad insertion in live sports as captured in Para A above are misplaced. The term 'natural breaks' in the context of sports is subjective and TRAI has failed to define it in the CP while borrowing it from an unsubstantiated Norwegian regime. By way of an example, in cricket, when a ball is called a "dead ball", it signifies no match play is in progress. Please refer Law 23 of ICC attached the relevant excerpt of ICC Law 23 as ***<u>Annexure B</u>***. A "dead ball" can happen at different times during a match: when the ball crosses the boundary line, when a batsman is declared "out", when the ball is collected by the wicket keeper, at the end of an over while the wicketkeeper changes ends, etc. No balls can be bowled or runs scored when the ball is dead as per ICC Law 23. When the ball is "dead" and there is no live action on the field, the host broadcaster switches to static images to enable licensees to go into commercial breaks in their respective territories. Hence local broadcasters cannot be expected to continue showing no live action on the ground.

iv. The standard norms followed for live cricket broadcasts is to show advertisements at the end of each over while the keeper changes ends and the field change. Advertisements shown at this time usually have some nexus to the live action either as products or services and use well known players as endorsers. This keeps the viewer glued to his seat while at the same time providing him with information about the product/service. In short these advertisements serve a dual purpose: of providing relevant information about products and services and generating revenue for the broadcaster. Hence such advertisements cannot be termed a "nuisance" to consumers that needs to be curbed.

v. TRAI in its present recommendation has failed to take cognizance of the difference between regular programming (movies, regular television soaps, etc.) and live sports. In fact the present recommendation is a drastic departure from the recommendation made by TRAI in 2004 to the MIB and which recommendation it reiterated before the TDSAT in February 2011. In Para 8.12 of its 2004 recommendation TRAI did not make any recommendation on capping advertisement time for sports channels by observing that " ***Moreover for sports, advertisements can only be inserted only during natural breaks,***

like in between overs for a cricket match or during lunch/tea." (emphasis supplied). In its previous recommendation TRAI impliedly acknowledged the distinction between live sports broadcast and other television formats. In games like hockey and football, on field action is continuous from kick off till half time. Even when the ball goes out of play during a match there is an immediate throw in and hence no question of broadcasters cutting to commercials. In other sports like Formula1 and Golf there are no natural breaks. In short in live sports it is the run of play that dictates cutting to commercials and viewers are never allowed to lose live action as it happens. Hence there is no need for a regulation that pre-determines when advertisements should be played during live telecasts.

vi. The broadcast rights in live sports are owned by the respective sports federations. Find attached as ***Annexure 2*** containing the list of sports federations for some of the well known sporting events in various countries. These sports bodies organize the matches at high costs which include payment of match fees to the players, referees, security, cost of infrastructure like stadia, travel, accommodation, training, medical facilities, etc. The cost of organisation is then recouped by monetising various rights around these events, including the broadcast rights. It is a fact that without broadcast sponsorship marquee sporting events cannot be brought to our viewing public.

vii. Organization of sporting events shall not be possible if these sports federations are not able to recoup their high costs and make reasonable profits to sustain themselves. There arises the need for having sponsorships and commitment to such sponsors for coming on board and funding the sporting events. Unlike monetization by broadcasters of regular programming like made for television shows and licensed movies, the sports broadcast has different dynamics. Broadcast rights only contribute to the recoupment of high costs of sporting federations which help them to make available tickets at affordable prices to the masses.

viii. The broadcast rights are granted by these sports bodies at a substantial license fees as this is one of the largest component for recouping their costs. To enable the respective broadcasters recoup the license fees paid by them and other costs like broadcast, the sports event rights organisers/rights holders contractually allow the broadcasters to put ads of specified duration at certain places while the live match is telecast by the sports broadcasters.

ix. These sports federations sign contracts with the sponsors to commit them agreed upon exposure so that the sponsors can get the value out of their money. Some of the commitments of the sports federations are also passed on to the sports broadcasters which mandatorily have to provide exposure to such sponsors of the sports federations by way of inserting their ads, tags, etc. Such obligations of a sports broadcaster are recited unambiguously in the broadcaster guidelines of such sports federations which are made part of the broadcast rights contracts.

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x. It must be noted that the sports federations for each respective sport do not allow a broadcaster to insert ads at any time and place in the discretion of the broadcaster. These sports federations control the sports and are highly motivated to provide a great viewing experience to the spectators of their respective sports. Accordingly, these sports federations categorically provide stringent broadcast guidelines to the sports broadcasters to streamline the ad insertion, duration of each ad break, the time and place where such ads can be inserted (in the same television window showing the match or by way of taking a commercial break), the brands that can be permitted for ads etc. In a way, these sports federations regulate virtually every aspect of advertisements that can be broadcast while broadcasting the live sports.

xi. Find attached ***Annexure 3*** that contains the broadcaster guidelines for IPL, ***Annexure 4*** contains the broadcaster guidelines for live domestic and international cricket matches to be played under the auspices of BCCI, ***Annexure 5*** contains the broadcaster guidelines of UEFA Champions League and Super Cup, ***Annexure 6*** contains broadcaster guidelines for Europa Cup. These broadcaster guidelines are framed by the sporting federations of some of world's most popular sports, cricket and football. [illegible]. It may also be noted that these broadcaster guidelines form an invariable part of the broadcast license agreement between the sport federations and the sports broadcaster. Any breach of these guidelines is considered to be material by such sports federations.

xii. TRAI's recommendations to regulate the ads in live sports are not only misplaced in the light of the aforementioned but also interfere with the copyrights and other rights of the Sports federations which own and control the format of the game in which TRAI has no authority whatsoever to recommend how the live sports should be telecast with ads.

xiii. Without prejudice to our earlier submissions, it may also be added here that if TRAI's recommendations were to be implemented, it would seriously impair the ability of the sports broadcaster to broadcast live sports. This is for the simple maths that it involves: if sports broadcasters are not able to recoup the exorbitant license fees that they pay to acquire the live match rights, the live sports may not be available the way it is now in the country. It is submitted TRAI's recommendations will make live sports broadcast in the country almost non-viable.

While the live sports broadcast is already heavily regulated in terms of ad insertions by the respective sports federations as demonstrated above, TRAI's attempt to further regulate it is against the principles of equity. The sports federations while imposing their broadcaster guidelines balance the interest of the sports viewers and the broadcasters. While the sports broadcaster guidelines make sure that the broadcasters must not void the viewing experience and at the same time allowing them to recoup the license fees when no action is taking place in the sports.

xiv. Furthermore, one of the facets of TRAI's recommendations in regulating the ads in live sports harps around 'viewing experience'. It is pertinent for the authorities to note the way the sports broadcast is produced by the sports federations. When no action takes place on the play ground, let it be any sports, the host broadcaster which is producing the live feed of the matches moves the camera to a still/static frame. By way of an example of live cricket production, the host producer at the end of an over, fall of wicket, freezes the camera to a wide long shot which stays on the field and the live feed typically shows players crossing over, getting ready for the next playing action etc. which has no intrinsic live sport action. Not only this, the commentators pause and do not speak until cued to do so by the host producer and certainly not before the match action resumes. Therefore the sports federations themselves allow the broadcasters to take breaks only at a time when no sporting action takes place. It may be argued that the viewership interest will be more in watching the animated, informative ads in which information is presented in a creative manner rather than watching frozen, static frames.

xv. In view of the aforementioned reasons, it is submitted that TRAI's proposed recommendations are retrograde, will substantially increase the costs to consumers, burden advertisers with higher costs, drive out marginal and smaller advertisers from advertising their products on national television, result in regulatory over-reach and is therefore strongly opposed.

D. CONCLUSION

The importance and role of television advertisements in an economy, both from the perspectives of information to consumers thereby enabling healthy competition amongst producers and service providers and advancing contribution to GDP of the country, is ignored in TRAI's suo motu recommendations.

None of the issues raised by TRAI in recommending the cap on advertising time on Pay TV Channels has any merit in view of ground reality as elaborated briefly in this response. The suo moto attempt of TRAI in recommending the cap on advertising time on Pay TV channels is itself non jurist and does not have the sanction of the laws of the land . The parameters relied on by TRAI in reducing the cap of advertising and promotional time on Pay channels from 12 minutes to 6 minutes defies the reality subsisting in the distribution side of the Industry. The systemic under reporting by the MSOs coupled with the low price caps in the distribution of channels renders increase in distribution revenues unfeasible which is ignored by TRAI in arriving at the hypothesis to recommend the reduction of advertising time by 50%.

The viewing experience of the consumers which TRAI is advocating in CP cannot at the cost of the survival of the Industry. With such retrograde recommendations, TRAI has missed the repercussions on the programming of the Pay Channels. With distribution revenues currently capped and advertising revenues proposed to be reduced by 50%, there will be no scope for these channels to introduce innovative, format and live sports programming which are done at a substantial cost. Without any possibility of recouping these costs, the Pay channels be discouraged to offer Indian viewers world class programming at an affordable cost.

TRAI needs to introspect whether such recommendations will hamper the growth of the broadcasting industry and the viewing experience of the viewer which is the basis of the CP. Unless the interests of viewers and broadcasters are balanced, we fear that the CP will have a catastrophic effect on media and entertainment industry. In a democracy, a few complaints cannot be ruled out and therefore must not lead to recommendations and implementation of certain regulations which will adversely affect the industry and have a far reaching impact on the economy.

Comparisons of dissimilar markets can never be a ground for making recommendations. The comparison with the international markets is again challenged basis which TRAI has concluded that the Indian Pay channels insert excessive advertisements. Whatever data is provided in the CP and conclusions drawn by TRAI thereof, cannot be enforced in India because of the simple fact that such international markets do not have any regulations and caps on the distribution side and are placed on an entirely different footing as compared to India. These markets are developed and have witnessed digitization. Further, certain international markets as quoted in the CP have more than 12 -15 minutes' cap on the insertion of commercial advertisements while a market such as the USA (which has a regulator like the FCC) does not have any caps. Therefore it is beyond our understanding how TRAI could arrive at a conclusion in recommending 6 minutes per hour cap in Pay channels after doing such a comparison.

TRAI's reliance on natural breaks and comprehending them in sports to mean and include only lunch and drink breaks in cricket, set breaks in lawn tennis, etc., ignores the commercial reality of live sports broadcasting. It also infringes the rights of the format owners of the respective sports but also makes the availability of live sports in the country non-existent. It is a near foregone conclusion that the way live sports is made available to Indian viewers, it will not be the same if TRAI's recommendations pertaining to sports were to be implemented.

Coming as it does even before the first phase of digitalisation is implemented and relying as it does on a projected increase in distribution revenues after full digitalisation in 2014, makes the CP pre-mature and ill timed as has been pointed out by independent observers and media watchers.

We therefore strongly submit in the light of our contentions elaborated in this response that TRAI must roll back the recommendations and must wait for the sunset of the analogue cable due in 2014 before rushing to make any recommendation on capping advertising time. In any event live sports broadcasting should not be brought under a capping regime given the way in which sports rights are licensed and broadcast.

ANNEXURE-A

MULTI SCREEN MEDIA PRIVATE LIMITED
MUMBAI

TRAI'S PAPER ON TV ADS

Leave TV ads alone, for now

MEDIA SCOPE

VANITA KOHLI-KHANDEKAR

This one is a classic case of misguided good intentions. The Telecom Regulatory Authority of India (Trai) released a consultation paper last week. Trai, which also doubles as the broadcast regulator, has sought to address "issues relating to advertising on TV channels". Among other things, the paper seeks to reduce the advertising time allowed on pay channels from 12 to six minutes per hour. It also suggests reducing the number and kind of scrollers, pop-ups and so on that you see on your screen.

The idea, the paper says, is to protect "consumer interest". Even if we don't get into the debate on Trai's mandate, which is to regulate carriage and not content, there is one big problem with the paper — its timing.

The reason television advertising is getting out of hand is that pay revenues are not delivering. The ministry of information and broadcasting is trying to fix that with digitisation, now mandatory thanks to an amendment to the Cable Act late last year. By December 2014 all of India's 142 million TV homes should be digital and addressable. That means there will be 100 per cent transparency and (hopefully) revenue sharing. This, in turn, means that broadcasters' pay revenues could become 40-50 per cent of top line, instead of the current 10-15 per cent.

Once that happens, broadcasters themselves will reduce the rubber band-like use of advertising time. They, more than Trai, know that subscribers are very irritated with the amount and nature of advertising on TV. You can see that on channels advertising the "one-break movie" or telling you that this is a "two-minute break". Broadcasters also know that reducing inventory will help increase ad rates, which have been falling.

So why not wait till, say, March 2016? By then full digitisation would have been operational for one financial year. Then all the controls on ad breaks, ad time and so on would make sense.

India is the world's second-largest TV market by volume. But one of the least profitable ones. By raising the bogey of controlling ad time now, Trai is taking the discussion away from the reasons behind it and from all the work that is going into digitisation.

All you have to do is look at price regulation to see how a well-intentioned act in the "consumer interest" can go wrong. In TV, price regulation has helped the whole carriage fee phenomenon and put DTH, the only form of digital TV that works, five years behind on breaking even. And it has put off big investors in cable. Most of them want the freedom to set prices. The fact is that if it wasn't for price regulation, digitisation would probably have happened long ago.

Television, unlike foodgrain, is not an essential commodity. There is no need to control its prices or the amount of revenue a company makes through advertising. What is needed is a policy framework within which these companies can operate and be controlled, if need be. An independent-of-the-government media regulator is the ideal way of creating that framework. The decision on ad time, breaks and so on should come from an FCC (Federal Communications Commission, US) or Ofcom kind of body. For an Indian example, look at the Securities and Exchange Board of India. It effectively regulates financial markets, which are more complex than the media.

If the media industry and the ministry set their minds to it, setting up such a body is possible. And if this can happen before digitisation, it would be great. That way there will be a mechanism in place to deal with all regulatory challenges, not just the ad break issue, once all homes are addressable.

Lastly, you could argue that consumers have a right to demand fewer ads and shorter ad breaks. Sure they do. But are those rights only for TV viewers? What about those pesky ads on the internet? And what about those big ones in magazines or on the front pages of newspapers? Should someone be coming out with norms on those? If they can't be touched, why television?

The point is media and entertainment products are something we consume of our own volition. Nobody forces us to watch a show or a film. The remote control of our TV sets is always in our hands. For now, it is the best way to tell broadcasters to lay off.

http://twitter.com/vanitakohlik

ANNEXURE B

ICC Law 23 (Dead ball)

1. Ball is dead

(a) The ball becomes dead when

(i) it is finally settled in the hands of the wicket-keeper or the bowler.

(ii) a boundary is scored. See Law 19.3 (Scoring a boundary).

(iii) a batsman is dismissed.

(iv) whether played or not it becomes trapped between the bat and person of a batsman or between items of his clothing or equipment.

(v) whether played or not it lodges in the clothing or equipment of a batsman or the clothing of an umpire.

(vi) it lodges in a protective helmet worn by a member of the fielding side.

(vii) there is a contravention of either of Laws 41.2 (Fielding the ball) or 41.3 (Protective helmets belonging to the fielding side).

(viii) there is an award of penalty runs under Law 2.6 (Player returning without permission).

(ix) Lost ball is called. See Law 20 (Lost ball).

(x) the umpire calls Over or Time.

(b) The ball shall be considered to be dead when it is clear to the umpire at the bowler's end that the fielding side and both batsmen at the wicket have ceased to regard it as in play.

2. Ball finally settled

Whether the ball is finally settled or not is a matter for the umpire alone to decide.

3. Umpire calling and signalling Dead ball

(a) When the ball has become dead under 1 above, the bowler's end umpire may call Dead ball, if it is necessary to inform the players.

(b) Either umpire shall call and signal Dead ball when

(i) he intervenes in a case of unfair play.

(ii) a serious injury to a player or umpire occurs.

(iii) he leaves his normal position for consultation.

(iv) one or both bails fall from the striker's wicket before he has the opportunity of playing the ball.

(v) he is satisfied that for an adequate reason the striker is not ready for the delivery of the ball and, if the ball is delivered, makes no attempt to play it.

(vi) the striker is distracted by any noise or movement or in any other way while he is preparing to receive or receiving a delivery. This shall apply whether the source of the distraction is within the game or outside it. Note, however, the provisions of Law 42.4 (Deliberate attempt to distract the striker).

The ball shall not count as one of the over.

(vii) the bowler drops the ball accidentally before delivery.

(viii) the ball does not leave the bowler's hand for any reason other than an attempt to run out the non-striker before entering his delivery stride. See Law 42.15 (Bowler attempting to run out non-striker before delivery).

(ix) he is required to do so under any of the Laws.

4. Ball ceases to be dead

The ball ceases to be dead - that is, it comes into play - when the bowler starts his run up or, if he has no run up, his bowling action.

5. Action on call of Dead ball

(a) A ball is not to count as one of the over if it becomes dead or is to be considered dead before the striker has had an opportunity to play it.

(b) If the ball becomes dead or is to be considered dead after the striker has had an opportunity to play the ball, except in the circumstances of 3(vi) above and Law 42.4 (Deliberate attempt to distract striker), no additional delivery shall be allowed unless No ball or Wide has been called.

ANNEXURE C
Broadcaster Guidelines of IPL

General

1. All transmissions of IPL matches must be of a quality and standard generally to be expected of a leading broadcaster broadcasting premium sports content within the relevant territory. For example "only":

   a. Live transmissions must be uninterrupted, ball by ball coverage – no late returns from ad breaks or cuts to commentator shots missing the ball while in play.
   b. No interruption or curtailment of replays or commentary to cut to advert breaks.
   c. No audio in commercial insertions.
   d. Commercial insertions during overs must be still images only and not moving or animated images.
   e. Broadcaster unilateral coverage, including presentation studio coverage, to be of the required standard.

2. Broadcasters shall not include any material within or around its transmissions of IPL matches nor use any part of the footage of IPL matches in a manner which is or is likely to be defamatory of any individual or may bring the game of cricket, the BCCI, IPL, the IPL matches or any IPL team and/or any titles sponsor or official sponsor of IPL into disrepute.
3. Broadcasters' transmissions and conduct shall at all times be in accordance with best industry standard practice and shall at all maintain the good name of the BCCI and IPL.
4. All broadcasters are required to ensure that all transmissions of IPL matches (whether live or delayed, in part or in full) comply with these Broadcasting Guidelines.

Virtual Advertising

1. No alteration or addition to world feed whether electronically or otherwise so as to remove, change or obscure (wholly or partially) any in-venue advertising or any elements included in world feed by IPL or IMG on its behalf (unless required to comply with applicable Law). For example: no obscuring of graphics inserted in world feed by IPL, including but not limited to the event logo.
2. No insertion of any "virtual advertisements" on any part of the field of play during any match play.
3. Save only for the limited number of pull-throughs/scrolls, the scroll in all live or delayed transmissions of IPL matches is the exclusive property of BCCI to promote the IPL and the IPL's business, including the IPL website, ticket sales, SMS exploitation and related promotional matters, but shall not otherwise be used for commercial purposes or otherwise include any commercial references.

Commercial and Non-Commercial Insertions

1. Broadcaster must ensure that (A) in all live transmissions and/or exhibitions of the IPL matches all 6 balls within an over of any IPL match are transmitted and exhibited without interruption or curtailment while the ball is "in play", and (B) in all live transmissions and/or exhibitions of IPL matches (in full or in part) Broadcaster shall not insert such commercial

insertions or non-commercial graphics, adverts or messages of any form (including "supers", "scrolls", "squeeze thru" super imposing, commercial messages or logos on graphics, drop downs or otherwise, and including promotions of Broadcaster's programming or services) while the ball is "in play". The ball is "in play" from when the bowler starts his run-up until after the ball becomes "dead" in accordance with Law 23 of the ICC Laws of Cricket.

2. Broadcaster is entitled to incorporate adverts and commercial graphics and messaging in breaks at all times when the ball is not in play, between overs, following the fall of wickets, or when match play is stopped due to player injury, but not pending the decision of the third umpires or field umpires and provided in all cases such adverts or commercial messages are shown after the conclusion of any action replay.

3. Commercial and non-commercial insertions during overs shall:
   (A) be visual only with no accompanying audio;
   (B) be still images and not moving or animated images;
   (C) be of a maximum size and duration stipulated by BCCI after due consultation with Broadcaster, it being acknowledged that pull-throughs of not more than 10% of the screen size and squeeze backs not reducing the playing screen image by up to a maximum of 15%.

4. Broadcaster shall be entitled to insert in each fully completed match of 40 overs (a) a maximum of eight (8) squeezers per match and 1 (one) squeezer per five (5) overs, and (b) a maximum of eight (8) pull throughs/scrolls per match and 1 (one) pull though/scroll per five (5) overs.

5. Broadcaster shall ensure that any insertions and/or graphics packages incorporated into the feed by or on behalf of BCCI in accordance with the BCCI/Broadcaster agreement are transmitted and displayed without modification save as may be required to comply with applicable laws.

6. Broadcaster must ensure that the identification of any and all of its broadcast sponsors immediately before or after any of Broadcaster's transmissions of any match or player auction shall not appear on the same slate as any identification given to the IPL Title Sponsor immediately before or after any of Broadcaster's transmissions of any match or player auction.

<u>Use of Titles and Logos</u>

1. Broadcaster must ensure that the League and the Teams are each referred to by their full titles in all transmissions.

2. In all transmissions, Broadcaster must:
   a. ensure that the DLF Indian Premier League Title and the relevant Logo appear in the opening and closing titles, together with a verbal mention of the DLF Indian Premier League immediately afterwards;
   b. ensure that the event title and logo prominently appear in the following:
      1) any on screen display of any fixtures/ league table(s) or Team line-up;
      2) all trailers and other on air and/or off air publicity and/or promotional material in relation to the IPL or any match;
      3) in other relevant places where reasonably practicable.
      4) ensure that whenever the event title and logo appear, they shall not be diluted by juxtaposition with a name, brand name or logo of any third party.

3. Broadcaster must ensure there shall be no joint exploitation, marketing or promotion of the Event title or logo with products or services of any other person;

4. Broadcaster shall not:

    a. adopt or use any other trade marks, drawings, symbols, emblems, logos, designations or names confusingly similar to any event title or logo;

    b. not knowingly do or authorize to be done any act or thing which will harm, misuse or bring into disrepute the event title or logo;

    c. do or omit to do anything which might undermine the validity of the event title or logo as a registered trade mark;

    d. hold itself out as the owner of the event title or logo.

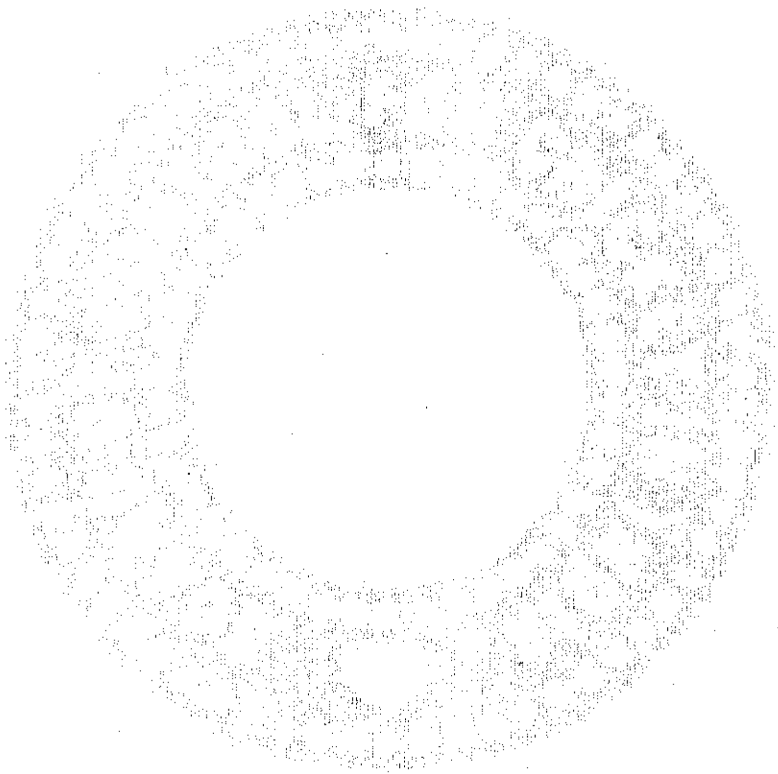
5. Broadcaster shall ensure that any use of the event title or logo shall be accompanied by such appropriate copyright and trade mark notices as may be reasonably required in writing by IPL, save that any accidental omission shall not constitute a breach of this clause. I do not believe we have told them to include such copyright or trademark notice.

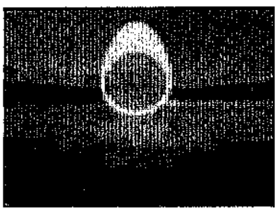
ANNEXURE-D

BCCI BROADCASTER GUIDELINES

Among its functions, BCCI is charged with safeguarding the integrity of cricket and maintaining the image and reputation of cricket around the World.

A central part of this role relates to regulating broadcast of cricket and, while recognising the importance of advertising and sponsorship to cricket's broadcasters, ensuring the viewer experiences the highest quality cricket coverage that is not spoiled by excessive and intrusive



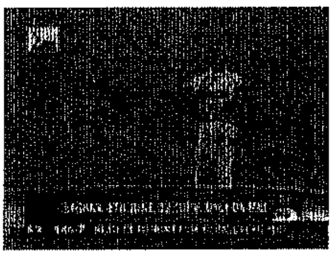


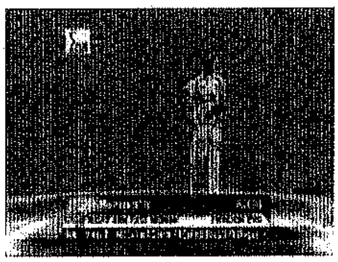
b. No interruption or curtailment of replays or commentary to cut into commercial breaks. The Feed will take into consideration the Broadcasters' break format and facilitate commentary pauses to ensure smooth pictures for Broadcasters.

c. No audio in commercial insertions whilst overs are in progress.

d. Squeezebacks will not have any animation in the commercial message. It is recognised that animation is inherently required to squeeze the picture. For clarity the squeezing and unsqueezing of the screen is allowed however it should be ensured that the squeezed picture should be in perspective and should not be distorted.

e. No interruption or curtailment of replays or commentary after the fall of wicket until the player out-stat is shown and commentary is complete where the commentators will announce the score and pause for the Broadcasters to go into commercial break. It is also recognized that there will be replays of the wicket before showing the batsman walk out with his out- stats





5. No intentional insertion of any "virtual advertisements" on any part of the field of play during any match play will be permitted.

6. No branding of any technological enhancements (including ball-tracking technology) is permitted.

7. Pull Throughs / Scrolls save only for the limited number of pull-throughs/scrolls (a lower third strip that is equal to 15% of the screen size and which is inserted on top of the scroll/infobar) and the "4s" and "6s" and wickets packages as set out in clause 11 below, the scroll/infobar in all live or delayed transmissions of BCCI matches is the exclusive property of BCCI to promote the tournament, including the website, ticket sales, SMS exploitation and related promotional matters, but shall not otherwise be used for any third party commercial purposes

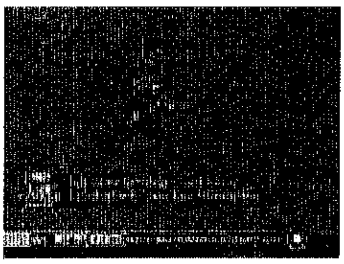
Commercial and Non-Commercial Insertions

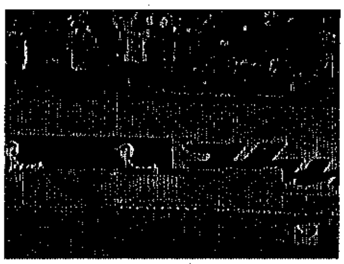
8. The broadcasters must ensure that

   a. Subject to 1a above, in all live transmissions and/or exhibitions of the BCCI matches, all 6 (or more) legal balls within an over of any Match must be transmitted and exhibited without interruption or curtailment"; and in all live transmissions and/or exhibitions of BCCI matches (in full or in part) the broadcasters who receive the downstream signal will not begin to insert a commercial material of any kind whatsoever (including "supers", "scrolls", "squeeze thru" super imposing, commercial messages or logos on graphics, drop downs or otherwise, and including promotions of Broadcasters' programming or services) from the moment that the bowler has begun his run up on the screen. If a commercial message is already present then the broadcasters will make reasonable endeavors to remove this commercial insertion as soon as possible thereafter.

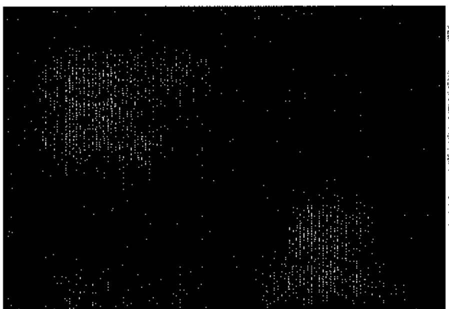
X

X X





9. Subject to Clause 1 above, the broadcasters are entitled to incorporate adverts and commercial graphics and messaging in breaks at all times, so long as it is in breaks between overs, following the fall of wickets, drinks breaks or when match play is stopped for any reason including player injury and any stoppage of play including but not limited to crowd behaviour, change of cricket gear and power failure. It is acknowledged that the third umpire decision process can be commercially exploited apart from going for a commercial break. (it being acknowledged, for the avoidance of doubt, that the broadcasters can grant sponsorship rights in relation to such action replay) and are in accordance with these Broadcaster Guidelines, save that the broadcasters shall be entitled to insert an action replay bug in the first action replay of an incident and obtain broadcast



Rights Agreement:

a. shall be visual only with no accompanying audio;

b. shall be still images and not moving or animated images; other than squeezebacks in respect of which it is recognised that animations are needed to actually squeeze in and out the screen.

c. if commercial and non-commercial graphics, adverts or commercial messages (including without limitation as part of a Graphics Package) inserted by Broadcasters during overs, shall be of a maximum size and duration stipulated in clause 11;

d. Any squeezers inserted by Broadcasters, may only reduce the screen image by up to a maximum of 30% of the total screen; and

if any pull-throughs and scrolls inserted by Broadcasters, must not be more than 15% of the screen size, in each case provided they must not in any way distort the screen image.

11. The broadcaster shall be entitled to insert commercial elements as follows:

    a. A maximum of 1 (one) squeezer per over shall be permitted for insertion, and a maximum of 1 (one) pull throughs/scrolls per over, shall be permitted for insertion by the broadcasters (noting that no pop-ups, i.e., graphics inserted into the broadcast on top of any portion of play, will be permitted), and

    b. in addition to the squeezers and pull throughs/scrolls above, Broadcasters may insert a "4s" and "6s" and Fall of Wicket (FOW) broadcast sponsorship package per innings.

    c. Subject to paragraph (a) above, in the first action replay of two of any incidents, Broadcasters shall be entitled to insert

        i. an action replay bug, which may be no more than 50% bigger than the on-screen Tournament Logo, provided they do not obscure the action in the replay or distort the screen image. For the avoidance of doubt, Broadcasters shall not insert any squeezers, pull throughs/scrolls or action replay bug in the second replay of an incident.

    d. One Channel logo may be inserted into transmissions of the Matches, including while the ball is "in play", provided that such channel logo shall not exceed the customary size of such logo on any given day of the year and does not obscure actual match play or any other insertions and/or graphics packages incorporated into the Feed by or on behalf of BCCI.

12. Broadcasters shall ensure that any insertions and/or graphics packages incorporated into the feed by or on behalf of BCCI in accordance with the Rights Agreement are transmitted and displayed without modification save as may be required to comply with applicable laws.

13. Broadcasters must ensure that the identification of any and all of its broadcast sponsors immediately before or after any of Broadcasters' transmissions of any match shall not appear on the same slate as any identification given to the BCCI Title Sponsor and/or the Umpires Sponsor immediately before or after any of Broadcasters' transmissions of any match.

Use of Titles and Logos

14. Broadcasters must ensure that the Event and the Teams are each referred to by their full titles in all transmissions. It is also acknowledged that expert commentators and any insertions and/or graphics packages incorporated into the feed by or on behalf of BCCI in accordance with the Rights Agreement may use abbreviations during commentary and transmission.

15. In all transmissions, the broadcasters must:

    a. ensure that the Event Title, BCCI.tv (official website) and the relevant Logo appear in the opening and closing titles, together with a verbal mention of the event title in full including event sponsor immediately afterwards;

    b. ensure that the event title, BCCI.tv and logo* prominently appear in the following:

        i. any on screen display of any fixtures or Team line-up;

ii. all trailers and other on air and/or off air publicity and/or promotional material in relation to the BCCI or any match;

iii. in other relevant places where reasonably practicable

c. ensure that whenever the event title, BCCI.tv and logo appear, they shall not be diluted by juxtaposition with a name, brand name or logo of any third party

16. In all transmissions, the broadcasters must ensure there shall be no joint exploitation, marketing or promotion of the Event title, BCCI.tv or logo with products or services of any other person.

17. The broadcasters shall not:

a. adopt or use any other trademarks, drawings, symbols, emblems, logos, designations or names confusingly similar to any event title, BCCI.tv or logo;

b. not knowingly do or authorise to be done any act or thing which will harm, misuse or bring into disrepute the event title, BCCI.tv or logo;

c. do or omit to do anything which might undermine the validity of the event title, BCCI.tv or logo as a registered trade mark;

d. hold itself out as the owner of the event title, BCCI.tv or logo.

18. The broadcasters shall ensure that any use of the event title, BCCI.tv or logo shall be accompanied by such appropriate copyright and trade mark notices as may be reasonably required in writing by BCCI, including any notices required under the BCCI Production Agreement.

** the event title and logo shall include any replacement or adaptation thereof.*

19. These Broadcaster Guidelines as amended from time to time will prevail over the terms and conditions of the Invitation to Tender and Media Rights Agreement.

20. BCCI reserves the right to amend or vary these Broadcaster Guidelines at any time and to issue supplementary Broadcaster Guidelines from time to time in accordance with the Invitation to Tender and Media Rights Agreement.

21. Capitalised terms in these Broadcaster Guidelines shall bear the same meaning as set out in the Invitation to Tender and Media Rights Agreement, unless expressly stipulated otherwise herein.

ANNEXURE E

UEFA BROADCASTER GUIDELINES FOR COMMERCIAL EXPLOITATION OF CHAMPIONS LEAGUE

Commercial Exploitation

Due to the commercial concept of the UEFA Champions League and the UEFA Super Cup, where all rights of association with the competitions are granted exclusively to UEFA's sponsor/supplier partners, there are certain limitations on the ways by which broadcasters can commercialise their competition-related programming.

Broadcasters are entitled to retain all revenue generated from the sale of commercial airtime sold around UEFA Champions League and UEFA Super Cup programming (as well as online/mobile commercials which are not in the nature of sponsorship). In addition, provided that there is no direct association between a third party and the relevant competition, broadcasters may run on-air prize competitions and similar promotions and retain all revenues which may be generated.

Broadcast sponsorship

UEFA's broadcasters located outside Europe shall be entitled, for the first time in the UEFA Champions League's history, to retain certain revenues to be generated from the sale of 'broadcast sponsorship' rights to the UEFA Champions League and UEFA Super Cup programming. UEFA shall retain 50% of the broadcast sponsorship inventory which is defined as being available around UEFA Champions League and UEFA Super Cup programming for up to two of its sponsor/supplier partners (no more than one sponsor/supplier partner in any matchweek) with the remaining 50% being available to the broadcaster for exploitation. Match bumpers will be available to UEFA's sponsor/supplier partners but, in keeping with the commercial concept of the UEFA Champions League, not to the broadcaster for exploitation.

UEFA will provide the relevant branding sequences to be used in all programming (as detailed below) and shall incorporate the branding of the retained sponsor/supplier within such sequences.

The broadcast sponsorship inventory which is to be sold by the broadcaster must first be offered, on a rate card basis and in accordance with the offer procedure described in the Terms and Conditions, to UEFA's other sponsor/supplier partners for the competitions. Should UEFA's sponsor/supplier partners not exercise the option to acquire broadcast sponsorship, then the broadcaster may sell such sponsorship to third parties outside of the protected categories (being the categories designated as such by UEFA).

Discussions with UEFA's sponsor/supplier partners can occur at any time provided that there are no discussions with third parties until 15 November 2011 at the earliest. Any broadcast sponsorship must ensure that the third party sponsor is clearly described as the programme sponsor and not directly linked to the UEFA Champions League or UEFA Super Cup itself. Broadcasters shall be entitled to sell the available inventory to a maximum of two companies per programme and up to four companies around UEFA Champions League and/or UEFA Super Cup programming during each season.

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