

Response to Consultation Paper On Renewal of Multi-System Operators (MSOs) Registration

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The consultation paper on the renewal of the Renewal of the Multi System Operators (MSOs) is well timed as number of the registrations will be soon up for renewal and there needs to be a continuity of the business and continuation of the services to the consumers.

Our response to the points for consultation are attached here with

3.1 What should be the period of extension/renewal, to be prescribed in the Cable Television Networks (Regulation) Act, 1995 /Cable Television Networks Rules, 1994, on the expiry of the initial period of permission of MSO registration? Please elaborate your response with justification.

Response : The period of the renewal should be in line with the Headend In the Sky (HITS) for a tenure of 10 years. As both services are delivered to the subscribers on cable, ten year period of the license/registration gives investors a time frame to look at the return on their investments and make business plans, cable industry is dependent on the terrestrial networks it creates of fiber and coaxial cables and requires substantial investments in building the network and maintaining it thus a longer license period gives confidence to the investors to put the resources in the business. This helps the creation of the networks and good quality service.

We are sure there will be few comments saying that there should be net worth criteria for the renewals, such a proposition will stifle the competition and the independent MSO's . Specifying net worth will not fair for all MSO as there are varying sizes of the networks, net worth of 100K subscriber network cannot be equated with network of 1million subscribers. Thus it will be not be fair to put any net worth criteria.

A particular MSO has been in business for ten years and is coming for renewal that means he has been a serious player and has been servicing his consumers and thus should not be deterred from continuity of his business and a renewal of 10 years will give the networks to look at long term and keep pace with the technological developments.

3.2 Whether a one-time fee should be levied at the time of renewal of the MSO registration? If yes, please suggest amount of fee for such renewal to be prescribed in the Cable Television Networks (Regulation) Act, 1995 /Cable Television Networks Rules, 1994. Please provide detailed reasoning for your comment.

Response : Renewal of the license should not be considered a source of revenue, cable networks are providing cable tv service and broadband services and similarly in India there are networks providing excellent broadband services to the subscribers , they are creating last mile infrastructure . The fees prescribed should be sufficient to cover the administrative cost. In our opinion a renewal application fee of Rs One lac should be adequate.

3.3 Should a time window be prescribed before the expiry of MSO registration, within which the MSO shall apply for renewal of the MSO registration?

Response : A MSO should apply six months prior to the expiry of the license with all the relevant documents for renewal , this will ensure that authorities have sufficient time to go through all the documents and issue the renewal. Six months is enough to get the inter ministerial information and clearances by the MIB if required.

To allow for ease of processing applications , MSO should be stipulated that any change in directors should be intimated to MIB within 30 days of director coming on board with full details so that if a security clearance if required, can be obtained by MIB . This will reduce the delays and uncertainties.

3.4 In case an MSO has applied for renewal, and the final decision on renewal is pending, what should be the provision to ensure continuity of service for the consumers on expiry of previous registration?

Response : As responded above an advance period of 6 months should be sufficient for MSO to apply and also be sufficient for the renewal by the authorities, in case there is any delay on account of the administrative requirement from the authorities , a one time temporary extension of three months should be given which is non extension able , after that the registration should be suspended.

In case an renewal application is found deficient in documents or information , the MIB should revert to the MSO within 30 days of receipt of application and MSO should revert within 21 days of the information being sought.

There should be a process of sending an automated message to the MSO from MIB 7 months prior to the expiry of the license that the renewal is due on particular date. It will help the industry.

3.5 In case an MSO hasn't applied for renewal before the expiry of its registration:

3.5.1 What should be the status of services by such MSO after the expiry of registration? As per extant guidelines/ regulations an MSO with valid registration only

can get the signals of a television channel. Should a broadcaster disconnect the television channels for such MSOs whose registration has expired?

Response: As responded above that an MSO should apply for the renewal six months prior to the expiry of the registration, In case the MSO does not applies six months prior to the expiry of the registration, the broadcaster content need to be disconnected on the date of expiry of the registration.

3.5.2 Should existing registered operational MSOs be provided with an extended time beyond the original registration period for applying for renewal? What should be the maximum time after expiry up to which an application for network.

Response : The registered MSO should be applying for renewal six months prior to the expiry of the registration , thus need for extended time is not required.

3.5.3 Should there be an additional fee for such applications that are received after the expiry of registration period?

Response: Any application received after the expiry of the registration period should be treated as a new registration application, if an application cannot be moved six months prior to the expiry as stipulated then the MSO has not been proactive to meet his statutory obligations.

3.6 Should some qualifying conditions be prescribed for renewal of MSO registration, under which the MSO, along with the application for renewal, shall be required to submit its compliance status with the terms and conditions of registration and the extant regulatory framework?

Please provide the details of:

(i) List of necessary compliances that should be mandatory for considering renewal of MSO registration,

(ii) List of documents, which may include, but may not be limited to, self-certifications, NOCs from TRAI/MIB/licensing authority, audit reports etc. that would be required to be submitted for verification of such compliances at the time of application,

(iii) Any other mandatory requirements for verification of status of compliances of the MSOs before grant of renewal of registration.

Please elaborate your suggestions with reasons for the mandatory requirement of each compliance in tandem with ease of doing business in the television distribution

Response :

- i)** It is important that qualifying conditions be prescribed for the renewal, the MSO should be able provide the
- 1 Valid certificate of registration of the company with the Ministry of Company affairs.
 - 2 Should provide balance sheet of last three financial years.
 - 3 Identity and residential proof of the directors / partners of the company in stipulated format
 - 4 Address proof of the headend , this can be a ownership document or an rent agreement.

- 5 Self declaration on the carriage of the mandatory channels as specified from time to time.
 - 6 There should be an undertaking taken from MSO that they will comply with the requirements of the MIB/TRAI for submission of the information from time to time and any three consecutive default will trigger a situation where the registration can be suspended or withdrawn.
- ii)** There should be a portal within TRAI and MIB which has all information about the filings/defaults , if any required to the TRAI /MIB, the application should not be running around to take the NOC from TRAI or any other organization. It should be available on line and if required the applicant can just take a print out and submit with self verification.
- The process of the renewal and the required documents should be kept minimal to make the process easier.