

COMMENTS OF VIACOM 18 MEDIA PRIVATE LIMITED TO THE TELECOM REGULATORY AUTHORITY OF INDIA CONSULTATION PAPER NO. 15/2008 ON INTERCONNECTION ISSUES RELATING TO BROADCASTING & CABLE.

We Viacom 18 Media Private Limited (“**Viacom18**”/“**we**”) welcomes the initiatives of The Telecom Regulatory Authority of India (“**TRAI**”) for releasing the Consultation Paper addressing some of the major and fundamental issues. We are further grateful to TRAI for providing a platform for discussion and feedback from the stakeholders on these issues.

Preamble

Viacom18 is a broadcaster and inter-alia owns channels like “MTV”, “Vh1”, “NICK” and “Colors”. Further Viacom18 also distributes in India the channel Colors and thereby have made considerable investments both in the broadcasting and distribution sectors in India.

Before submitting our comments, we take this opportunity to urge that TRAI ought to start working towards deregulation at least as far as the broadcasting industry is concerned. Scarcity of television channels may have been one of the reasons for regulating broadcasting in the past. Today, of course, it is indefensible to speak of channel scarcity and taking into consideration the huge competition that the industry is seeing due to the influx of a plethora of new television channels entering the market. It is apparent from a casual survey of the market that each of the television channels are fighting for the eyeballs of viewers and is insistent on being present on all platforms and have the maximum reach. It is submitted that the competition itself would regulate the market as far as the broadcasters are concerned.

While the regulations on the broadcasters have to be toned down and the path towards deregulation has to be paved, the regulations on the cable industry, especially analogue operators needs to be increased and sanctions have to be imposed on such cable operators/MSOs who continue maintaining analogue networks. This step to regulate the cable television industry is vital to promote digitization and addressability and no amount of regulation on the broadcasters would help bring in addressability and digitization. A bird’s view on the regulatory process by TRAI till date in the broadcasting sector would unfortunately display that the efforts have not been aimed at the root of the problem. The root cause of the anarchy existing in the cable television industry is the huge problem of under-declaration and addressability. Only in the event, un-addressable systems are thrown out of the back door, addressability and proper declaration can enter through the front door. This is the hard reality we as an industry and TRAI as an industrial advisor needs to accept before we take another regulatory step.

The primary issues to be tackled presently are under-declaration, digitization and addressability. It is also time to bring in better stability to the whole distribution system and also to shift the focus of TRAI from protecting the distributor of TV channels to protecting the interest of the end consumers/viewers and other stake holders, especially without compromising the spirit of equitability and fairness for broadcasters and their economic sustainability.

Comments/Recommendations submitted by

Viacom 18 Media Private Limited, 36B, Dr. R.K. Shirodkar Marg, Parel East, Mumbai-400012

Addressability is also a misnomer since the issues of under-declaration, transparency and leakages also exist in case of addressable systems such as DTH and the same has not been even tested as far as the new emerging addressable systems are concerned. Though there are certain obligations for DTH operators to collect and maintain subscriber data under the Quality norms, the DTH Operator is not under any mandate to share the same with the broadcaster.

Further we urge that a-la-carte option should only be offered to such distributor of TV channels who in turn offer a-la-carte option to all its subscribers. The broadcasters shall not be forced to provide its channels on an a-la-carte basis, unless and until the distributor of TV channels offers to its subscribers the option of a-la-carte over and above the bouquets being offered. Otherwise the a-la-carte regulation would not serve any consumer interest and instead just becomes tool for distributors to have an unfair and one-sided commercial arrangement to their own advantage vis-à-vis broadcasters.

Keeping this primary recommendation in mind, we shall now proceed to our submissions pertaining to the queries raised by you in this consultation paper.

ISSUES FOR CONSIDERATION AND COMMENTS

6.2.1 Whether the Interconnection Regulation should make it mandatory for the broadcasters to publish Reference Interconnect Offers (RIOs) for all addressable systems, and whether such RIOs should be same for all addressable systems or whether a broadcaster should be permitted to offer different RIOs for different platforms?

Comments on 6.2.1:

- a. The Reference Interconnect Offer ("RIO") has been conceptualized by TRAI under the "The Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004 as amended to date ("Regulation")" to set out inter-alia, the technical and commercial conditions for interconnection fulfilling which other Parties would be entitled to obtain interconnection from that party.
- b. At the outset we believe there is no interconnection as such happening in the technical sense and it is only a one way distribution of services by the broadcasters to the Multi System Operators ("MSO") and the MSOs to the Subscribers through the Last Mile Operators ("LMO"). The word interconnection would be only relevant to telecommunication networks where it is necessary for customers of one telecom network to communicate with the customers of another telecom network. In broadcasting it is only distribution or dissemination of the content to the end subscribers for viewing on television through intermediaries who are the distributors of TV channels.
- c. Further we believe that a mandate for publication of RIOs for all addressable systems is not advisable, particularly with the embryonic state of these new technologies like IPTV, HITS etc. in India today. Growth of these segments of the industry would be enhanced if content arrangements could be freely negotiated between content producers, aggregators, and platforms.

- d. If the Authority should decide nevertheless to mandate publication of such RIOs it is essential that there be no requirement for uniformity between RIOs for different platforms. As noted above, the platforms have different operating characteristics, different markets and different commercial situations. Content owners and broadcasters must have the ability to specify different conditions for interconnect offers to different types of platforms. So the RIOs can not be the same as inter-alia the discounts, security and anti piracy requirements for each system/technology would also be different.
- e. In the Regulation, under the explanation to clause 3.6 puts down the steps to analyse “Similarly based distributor of TV channels” as distributors of TV channels operating under similar conditions. The analysis of whether distributors of TV channels are similarly based includes consideration of, but is not limited to, such factors as whether distributors of TV channels operate within a geographical region and neighbourhood, have roughly the same number of subscribers, purchase a similar service, use the same distribution technology.
- f. Since the regulator itself has correctly set out vide the existing Regulation that Similarly based distributor of TV channels needs to operate in a similar geographical region, have roughly same number of subscribers, purchase a similar service and use the same distribution technology, the question posed now about having the same RIOs for all addressable systems ought not have raised.

Eg: An IPTV operator and a DTH operator can in now way have the same technical and commercial conditions for interconnection as an IPTV operator’s reach may only be to the extent of broadband connected homes or till places where the digital cable backbone is extended while a DTH operator might be able to connect a subscriber in a rural village where landline telephone cannot reach.

6.2.2 Is there any other methodology which will ensure availability of content to all addressable platforms on non-discriminatory basis?

Comments on 6.2.2

There should not be comparison between operators of different addressable platforms regardless of the geographical region and neighbourhood, subscriber reach, services purchased, use the same distribution technology. Provision of signals on a non discriminatory basis to operators using different distribution technologies is not possible. The contents can be made available on a non-discriminatory basis only to similarly based distributor of TV channels as defined in the Regulation.

6.2.3 What should be the minimum specifications/ conditions that any TV channel distribution system must satisfy to be able to get signals on terms at par with other addressable platforms? Are the specifications indicated in the Annexure adequate in this regard?

Comments on 6.2.3

- a. We believe that the goal should be to supply a wide range of quality content at varying price-points to a wide range of Indian consumers. India is not a homogenous nation and the Authority, in imposing a straitjacket of uniformity on all content suppliers and operating platforms, is smothering the potential for content development to meet the country's diverse needs.
- b. The goal of supplying a wide range of content, including new products for new platforms, would best be met by a progressive dismantling of the over-regulatory structures already in place, including specifically the "must provide" requirement.
- c. The Authority should explicitly recognize that its long-term goal is not government control and mandate of entertainment/content availability, but the development of a competitive market for entertainment products, including television channels. It should begin moving toward that goal by initiating a process to develop indicators and benchmarks of the existence of effective competition which would permit relaxation of stringent regulation.
- d. Further laying down minimum specifications makes no difference on the ground. However in case TRAI decides to hold in the contrary and if such specifications are intended to be incorporated then, periodicity of reviews of such specifications should be settled and also the review itself should be carried out and implemented without fail. Also the methodology to be adopted for such review needs to be thought out. Usually such review should encompass a study of the problem areas, ways and means to permanently resolve them, study of state of the art next generation formulations, idea about the losses incurred so far. The result of the review should also be implemented in a time bound manner. All broadcasters availing signals to the operator should be allowed to constructively participate in the review exercise.
- e. Laying down a specification/standard through a regulatory formulation has its own down turns. It inhibits innovation and further laying down of standards is an industry initiative. TRAI does not at present have any control over the Middle ware industry whose products' attributes are being intended to be specified. Further if such specification has to be indeed drawn up, then the instant consultation process has to be far more widened and broadbased to include within its scope the Middle ware industry comprising the vendors of such Systems. Without their take on the specifications, any regulatory formulations would perhaps be undesirable.

Comments/Recommendations submitted by

Viacom 18 Media Private Limited, 36B, Dr. R.K. Shirodkar Marg, Parel East, Mumbai-400012

6.2.4 What should be the methodology to ensure and verify that any distribution network seeking to get signals on terms at par with other addressable platforms satisfies the minimum specified conditions for addressable systems?

Comments on 6.2.4

- a. The specifications indicated in the Annexure is more or less sensible set of technical specifications, but would need reality checks as mentioned above at regular intervals of time. We would suggest, however, that if the Authority proposes to enact these into Regulations, it should provide a plan or mechanism for periodic as well as ad-hoc reviews of them, as the technological conditions in our industry are prone to rapid and disruptive change.
- b. However, these specifications are not sufficient to cover the commercial and regulatory conditions which also should be made part of the requirements for distribution systems to claim access to programming on regulator-specified terms. Content distributors should have no requirement to make available programming unless these conditions are met.
- c. The regulatory conditions should include provision for regular, complete, and accurate reporting of subscriber data (to be collected according to the technical specs) to the government authorities. The commercial conditions should include:
- d. Compliance by the distribution platform with any contractual requirement for regular accurate reporting of subscriber numbers to content suppliers/channels, and
- e. Ability of content suppliers/channels to conduct periodic audits of platform operations to verify the completeness and accuracy of the data provided.
- f. In addition, full compliance with laws on protection of intellectual property should be required as a condition for access to programming. Piracy is destructive of our industry and of related content industries, and it is also in violation of the government's laws and policies and the judicial rulings flowing from those. No system engaging in piracy should be permitted to claim the benefits of these regulations. This should be clearly specified in the regulations – a platform operator judged guilty of piracy should be barred from regulation-mandated access to programming for a period of at least a year.

6.2.5 What should be the treatment of hybrid cable networks in non-CAS areas which provide both types of service, i.e., analogue (without encryption) and digital (with encryption) services?

Comments on 6.2.4 and 6.2.5

- a. The major problem regarding hybrid networks (voluntary CAS Operators) is that a complete check on addressability is not possible as the operator provides signals of the same channel through analogue non addressable system and the addressable

- system. It depends on the subscriber whether to select CAS or analogue and this point defeats the addressability issue.
- b. Such operators who give signals in analogue and voluntary CAS of same channel would have to invoice differently and there would be complete lack of transparency where the situation would enable the operator to avail of lesser rates from the broadcaster and still under declare.
 - c. The Authority recognizes the fundamental differences between analogue and digital distribution. These differences must also be recognized in the relationships between digital distribution platforms and content suppliers. "Hybrid" cable networks should be required to enter into new contracts with content suppliers for their digital distribution activities separately. These contracts should incorporate provisions applicable to addressable platforms, and will of course have some significant differences from the arrangements for non-addressable systems. Cable networks wishing to be treated on a par with other addressable systems should also be required to obtain a separate license from the administrative authorities, which specifically include all the obligations imposed on addressable systems (see above) which shall be proved to the satisfaction of the broadcasters through inspections.
 - d. It is also a given scenario that the analogue declarations which forms the negotiated subscriber base of each analogue operator forms not more than 20% of his actual subscriber universe. So in cases of a Hybrid cable operator, the existing declarations under the agreement for analogue network shall remain unchanged till its declaration in the addressable network reaches 4 times the negotiated subscriber base.
 - e. In the event the Hybrid cable operator decides to wind up its analogue operations and continue only with the addressable system, the system should display a growth of minimum 3 times the present declarations given by the Hybrid cable operator under its analogue system.
 - f. The prices to the Hybrid cable operator for its addressable systems may be equal to the price of the content as declared by the broadcasters for other addressable systems without any provision of a-la-carte.
 - g. Only in this way can the Authority's goal of using progressive digitalization to stimulate movement toward a system of transparent, full-declaration relationships be achieved.

6.2.6 Whether there is a need to define "Commercial Subscribers", and what should be that definition?

Comments/Recommendations submitted by

Viacom 18 Media Private Limited, 36B, Dr. R.K. Shirodkar Marg, Parel East, Mumbai-400012

6.2.7 Whether the Broadcasters may be mandated to publish RIOs for all addressable platforms for Commercial Subscribers as distinct from broadcasters' RIOs for non-Commercial Subscribers?

Comments on 6.2.6 and 6.2.7

- a. The practice of negotiating different terms for program supply to commercial customers from those prevailing for residential customers is well-established in most markets around the world. In the vast majority of markets, regulators – even those who intervene more actively to set rates for the protection of consumers – do not include commercial premises in their rate orders. Rather, supply of television programming – like other forms of entertainment destined for dissemination in the course of a trade or business activity – is left for negotiations between buyers and sellers.
- b. Channel aggregators are bound by internationally-negotiated contracts for supply of content which replicate the distinction between residential and commercial premises and specify definitions, which are different in different contracts. If different governments adopt different definitions of “commercial premises” (and then provide for government-specified terms and conditions for program supply to commercial customers), it will make the business of international programming hopelessly complex.
- c. Therefore, we suggest that the Authority adopt a parallel policy to that in other jurisdictions, and allow the conditions of program supply to commercial premises to be negotiated between content aggregators, distribution platforms, and owners of commercial premises. In considering this recommendation, we hope the Authority will bear in mind that its own often-expressed justification for regulatory intervention in pay-TV rates and supply arrangements is protection of the mass of consumers.
- d. If, however, the Authority feels it must provide guidelines that will govern relationships and pricing by platform operators to commercial premises, we strongly suggest that the definition of “commercial” customers be aligned with that in other common-law jurisdictions: a commercial customer is one where the television programming is used in the course of a trade or business. No distinction should be made between various classes of commercial customers.

6.2.8 Whether the regulation should mandate publishing of Reference Interconnect Agreements (RIAs) for addressable systems instead of Reference Interconnect Offers (RIOs)?

Comments/Recommendations submitted by

Viacom 18 Media Private Limited, 36B, Dr. R.K. Shirodkar Marg, Parel East, Mumbai-400012

6.2.9 Whether the time period of 45 days prescribed for signing of Interconnection Agreements should be reduced if RIOs are replaced by RIAs as suggested above?

Comments on 6.2.8 and 6.2.9

- a. This is another proposal for over-intervention by the Authority in commercial discussions in this industry. In our view, there is no justification for requiring publishing of RIAs. The Authority's rationale for prescribing RIAs in the case of CAS areas was to ensure there was no delay in signing distribution agreements in light of the time pressure to implement CAS. There is no such pressure now.
- b. Further the time period for signing of interconnection agreements should not be reduced as the inspection of compliances regarding technical and other system requirements by the distributor of TV channels deploying such addressable systems needs to be carried out before providing signals.

6.2.10 Whether the regulation should specifically prohibit the broadcasters from imposing any kind of restrictions on packaging of channels on an addressable platform?

6.2.11 Whether the regulation should specifically prohibit the broadcasters from imposing any kind of restrictions on pricing of channels on an addressable platform?

- a. It is requested that the TRAI should start showing more inclination towards allowing contractual independence
- b. At the outset we state that there should be no restriction on the freedom to contract and to sell in bouquets to addressable systems. Even more in cases where the addressable systems do not have the liability to offer the channels on an a-la-carte basis to the subscribers. The present condition with DTH is that, the subscribers are still forced to subscribe for channels he do not wish to watch and pay higher prices so that he can watch few channels from the whole bouquet being offered by the DTH operator. Further restrictions on the broadcasters would only benefit the addressable systems like DTH and would not be in the interest of the subscribers or other stake holders. We strongly object to any kind of regulatory restriction on packaging and pricing of channels on addressable platforms, even more on such addressable platforms whose technical and commercial feasibility are not yet tested and proven.
- c. In this regard, we would like to use this opportunity to make a further recommendation that all restrictive covenants existing in the Regulations and Tariff orders which do not allow free contract negotiations between addressable systems and the broadcasters be removed. Especially clauses like clause 6 of the Regulation **Prohibition of minimum guarantee clause** and further the provisions imposing compulsory offer of channels on a-la-carte basis to DTH operators ought to be removed and be left to forbearance.

6.3 Interconnection for non-addressable platforms

6.3.1 Whether the terms & conditions and details to be specifically included in the RIO for non-addressable systems should be specified by the Regulation as has been done for DTH?

6.3.2 What terms & conditions and details should be specified for inclusion in the RIO for non-addressable systems?

Comments on 6.3.1 and 6.3.2

- a. We would respectfully urge the Authority to examine the real conditions and differences between the DTH market and the non-addressable market before considering trying to create parallel regulatory structures. The non-addressable market is characterized by huge levels of under-declaration, and there is no mechanism in sight for dealing with this problem. Payment levels are typically negotiated. At the end of the product chain, addressable systems cannot provide a la carte service to consumers. As long as these circumstances prevail, we see no justification for mandating the same type of regulation for non-addressable platforms as for DTH.
- b. The Authority should not impose its terms & conditions for RIOs in the non-addressable sector.
- c. That said, any consideration of what terms & conditions for RIOs in this sector would be appropriate **MUST** include the twin plagues which continue to undermine the industry: piracy of content and under-declaration. A la carte pricing can only be considered when the full level of subscribers may be reliably known.

6.4 General Interconnection Issues

6.4.1 Whether it should be made mandatory that before a service provider becomes eligible to enjoy the benefits/ protections accorded under interconnect regulations, he must first establish that he fulfills all the requirements under quality of service regulations as applicable?

Comments on 6.4

Yes, it should be mandatory for the service provider to fulfill the requirements under quality service regulations before enjoying the benefits/protections accorded under the interconnect regulations. It is also important to maintain a balance where it is ensured that such quality of service obligations of the service provider being the distributor of TV channels are not transferred to the broadcaster as it would be used as a weapon of offence by the distributor of TV channels to indulge in non-payment and

Comments/Recommendations submitted by

Viacom 18 Media Private Limited, 36B, Dr. R.K. Shirodkar Marg, Parel East, Mumbai-400012

piracy. (eg: the quality of service obligation for DTH operators to provide signals of any channel for a minimum period of 6 months to each subscriber without dropping the channel should not prevent the broadcaster from deactivating signals to the DTH operator due to a breach committed by such operator like non payment or piracy).

6.4.2 Whether applicability of clause 3.2 of the Interconnect Regulation should be restricted so that a distributor of TV channels is barred from seeking signals in terms of clause 3.2 of the Interconnect Regulation from a broadcaster for those channels in respect of which carriage fee is being demanded by the distributor of TV channels from the broadcaster?

Comments on 6.4.2

Yes, such restriction is required and is fair. It does not make sense to provide signals of the channel to a distributor of TV channels when such distributor is demanding fee for carrying the channel.

6.4.3 Whether there is a need to regulate certain features of carriage fee, such as stability, transparency, predictability and periodicity, as well as the relationship between TAM/TRP ratings and carriage fee.

6.4.4 If so, then what should the manner of such regulation be.

Comments on 6.4.3 and 6.4.4

Yes certain restrictions as below are required regarding carriage:

- a. The TRAI in its previous studies had taken the view that carriage is a temporary feature and would move out with the digitization of networks. We believe that phenomenon of carriage should be slowly phased out and for that the first step to be taken by TRAI is to enforce better quality conditions in the upcoming platforms like DTH, IPTV, HITS, Voluntary CAS, CAS etc. by ensuring that MPEG4 and higher compression technologies are used so that larger number of channels can be carried.
- b. There should be a must carry provision for CAS, Voluntary CAS and IPTV operators without payment of any carriage fee as they carry the signals through a digital network. This obligation shall only be to carry the channels on an a-la-carte basis and provide the choice of channel to the subscribers.
- c. Where the DTH operator demands a carriage fee to carry a channel in its network, the broadcasters may be given two options:
 - a. On payment of the proportionate cost of the transponder by the broadcaster or maybe a 15% margin, the DTH operator should ensure carriage of the channel on its network on an a-la-carte basis. It may be left to the subscribers to select the channel.
 - b. Second option is to allow the broadcasters to bundle its channels and provide it to the subscribers of the DTH operator as a bouquet at a price as fixed by the broadcaster. In this model also the broadcaster

may be required to pay a proportionate cost of the transponder. The DTH Operator shall also receive a certain share from the subscription fee collected by such DTH Operator for the bouquets so offered through its network for promotion of the bouquet through its websites and giving customer care support and collecting revenue.

- d. It should be mandatory for all HITS operators to carry all channels. In the event there are any transponder constraints for HITS operators, the maximum carriage fee that could be charged by a HITS operator ought to be the proportionate transponder cost for carrying the channel and a maximum of 15% margin.
- e. In case the broadcaster wishes to place its channel in any package or the basic tier of the distributor of TV channel deploying such addressable systems, then both parties may mutually negotiate and decide on the commercial terms. Once a distributor of TV channel accepts consideration for inclusion of a channel in a certain package, the same shall be enforceable and no change in the package or increase shall be demanded till end of the term unless mutually agreed. In case of an authorised extension in territory, both parties may enter into negotiations and mutually enter into a separate agreement for such extended territory. The placement Agreement and the carriage agreement should only be terminable in the event the broadcaster defaults in payment of the carriage fee and does not cure the same within 21 days from receiving notice.
- f. There should be no or very minimum regulatory protection provided to non addressable systems. Since television is considered an essential service, it should be ensured that the most popular of the genres required by the most number of people are available to them. Public private participation is encouraged by government in all areas. We believe same should happen in case of broadcasting as well. In addition to the select Doordarshan channels which are mandatory to be included in the prime band, even top GECs and some news channel should also be mandatorily carried by all non addressable systems. Since the main aim of television is to entertain and inform the viewers the most appealing genres are obviously the General Entertainment and News genres. It is our recommendation based on the above view that depending on the popularity of the channel as determined by statistical data/reports provided by TAM or any other body as recognized by TRAI from time to time, it should be made mandatory that all non addressable systems should carry the first 5 India's most popular channels (irrespective of genre and language) in prime band, the 3 most popular general entertainment channels (in such cases the language could be according to the linguistic inclination of that region eg: for a distributor of TV channel deploying non addressable system in Tamil Nadu it shall be mandatory to carry the 3 most popular Tamil GECs on its network). Further the non addressable systems shall also carry on its network 5 news channels out of which at least two are in English and the rest in the vernacular language as per the aforementioned criteria.
It is our submission that till the date TRAI does not impose certain sanctions and provide minimal protection to those distributors of TV channels who are still deploying non addressable systems, digitization would never materialize.

Comments/Recommendations submitted by

Viacom 18 Media Private Limited, 36B, Dr. R.K. Shirodkar Marg, Parel East, Mumbai-400012

6.4.5 Whether the standard interconnect agreement between broadcasters and MSOs should be amended to enable the MSOs, which have been duly approved by the Government for providing services in CAS areas, to utilize the infrastructure of a HITS operator for carriage of signals to the MSO's affiliate cable operators in CAS areas?

6.4.6 Whether the standard interconnect agreement between broadcasters and HITS operators need to be prescribed by the Authority, and whether these should be broadly the same as prescribed between broadcasters and MSOs in CAS notified areas?

Comments on 6.4.5 and 6.4.6

HITS platforms are new ones to India and their commercial viability has yet to be proven. They cover only a very small part of the market. As stated earlier, new technologies need the scope to be developed, rather than being smothered in existing regulatory frameworks, and this has been recognized by most regulators elsewhere in the world. Overregulation of HITS at this point in time could both stall the growth of HITS and have a negative impact on the non-CAS market. Content providers and HITS operators need the flexibility to negotiate and execute contracts tailored to the specific conditions prevailing in the market, rather than being bound to standard conditions. The Authority should not attempt to prescribe those conditions.

6.4.7 What further regulatory measures need to be taken to ensure that DTH operators are able to provide six month protection for subscribers as provided by Sub clause (1) of Clause 9 of the Direct to Home Broadcasting Services (Standards of Quality of Service and Redressal of Grievances) Regulations, 2007?

6.4.8 Towards this objective, should it be made mandatory for broadcasters to continue to provide signals to DTH operators for a period of six months after the date of expiry of interconnection agreement to enable the DTH operators to discharge their obligation?

6.4.9 Is there any other regulatory measure which will achieve the same objective?

Comments on 6.4.7, 6.4.8 and 6.4.9

- a. It is important to maintain a balance where it is ensured that such quality of service obligations of the service provider being the distributor of TV channels are not transferred to the broadcaster as it would be used as a weapon of offence by the distributor of TV channels to indulge in non-payment and piracy. (eg: the quality of service obligation for DTH operators to provide signals of any channel for a minimum period of 6 months to each subscriber without dropping the channel should not prevent the broadcaster from deactivating signals to the DTH operator due to a breach committed by such operator like non payment or piracy).
- b. Further it should be the obligation of the DTH operator to intimate its subscribers in the event of impending expiry of an interconnection agreement for a channel with a broadcaster. The broadcaster should in no way be obligated under the regulations binding the DTH Operator and the subscribers as the broadcasters are not party to

Comments/Recommendations submitted by

Viacom 18 Media Private Limited, 36B, Dr. R.K. Shirodkar Marg, Parel East, Mumbai-400012

such agreements or arrangements. In the event of any regulation to the contrary, the same could cause irreparable losses to the broadcaster.

6.5 Registration of Interconnection Agreements

6.5.1 Whether it should be made mandatory for all interconnect agreements to be reduced to writing?

Comment on 6.5.1 Yes, it is necessary

6.5.2 Whether it should be made mandatory for the Broadcasters/ MSOs to provide signals to any distributor of TV channels only after duly executing a written interconnection agreement?

Comment on 6.5.2

- a. For test purposes, the Broadcasters/MSOs may at its discretion provide signals to any new distributor of TV channels as a trial to test whether such distributor of TV channels have the technical capabilities to carry the channel. Even the conditions of test should be reduced to writing and no notice period would be applicable in case of deactivation of signals while testing and the distributor of TV channels shall clearly inform its viewers/subscribers that the signals received by them are test signals.
- b. In all other cases, the Broadcasters/MSOs shall provide signals to any distributor of TV channels only after duly executing a written interconnection agreement.

6.5.3 Whether no regulatory protection should be made available to distributors of TV channels who have not executed Interconnect Agreements in writing?

Comment on 6.5.3

Yes. No regulatory protection should be made available to distributors of TV channels who have not executed Interconnect Agreements in writing.

6.5.4 How can it be ensured that a copy of signed interconnection agreement is given to the distributor of TV channels?

6.5.5 Whether it should be the responsibility of the Broadcaster to hand over a copy of signed Interconnect Agreement to MSO or LCO as the case may be, and obtain an acknowledgement in this regard? Whether similar responsibility should also be cast on MSOs when they are executing interconnection agreements with their affiliate LCOs?

6.5.6 Whether the broadcasters should be required to furnish a certificate to the effect that a signed copy of the interconnect agreement has been handed over to all the distributors of television channels and an acknowledgement has been received from them in this regard while filing the details of interconnect agreements in compliance with the Regulation?

Comment on 6.5.4

- a. The broadcaster and the MSOs may be required to get an acknowledgment of receipt signed from all distributors of TV channels with whom they enter into an interconnection agreement. Such acknowledgement should be conclusive proof of delivery.
- b. This shall only be made applicable to interconnect agreements signed subsequent to the notification of this rule.

6.5.7 Whether the periodicity of filing of Interconnect agreements be revised?

Comment on 6.5.7

Yes, the periodicity of filing of Interconnect agreements with TRAI should be yearly as most of the agreements are entered into for more than one year.

6.5.8 What should be the due date for filing of information in case the periodicity is revised?

Comment on 6.5.8

The yearly filing should be made on or before 30th April of every year for the previous financial year.

6.5.9 What should be a reasonable notice period to be given to the Broadcaster/ DTH operator as the case may be, by the Authority while asking for any specific interconnect agreements, signed subsequent to periodic filing of details of interconnect agreements?

Comment on 6.5.9

15 days would be reasonable time.

6.5.10 What should be the retention period of filings made in compliance of the Regulation?

Comment on 6.5.10

Till the next yearly filing.

6.5.11 Whether the broadcasters and DTH operators should be required to file the data in scanned form in CDs/ DVDs?

Comment on 6.5.11

This would not be advisable due to serious confidentiality issues.

6.5.12 Whether the interconnection filings should be placed in public domain?

Comment on 6.5.12

No, the interconnection filings contain sensitive and confidential information pertaining to the business of each broadcaster and should not be shared. If the same gets into the hands of competition, considerable damage could be caused.

6.5.13 Is there any other way of effectively implementing non-discrimination clause in Interconnect Regulation while retaining the confidentiality of interconnection filings?

Comment on 6.5.8

In the event any complaint regarding discrimination is received by the Telecom Regulatory Authority of India, the Authority may use the data provided for internal investigation purposes and clarifications from such broadcasters and MSOs before reaching a final decision. This shall be done without disclosing any of the details to the complainant or any other party.
