

January 23, 2009

Pr. Advisor (B&CS)  
Telecom Regulatory Authority of India  
Mahanagar Doorsanchar Bhawan,  
Jawaharlal Nehru Marg,  
New Delhi- 110 002

Dear Sir,

Re: TRAI's consultation paper on Interconnection Issues relating to Broadcasting & Cable Services

This is with reference to the Consultation paper dated December 15, 2008 issued by TRAI on Interconnection Issues relating to Broadcasting & Cable Services

At the outset, we would like to commend TRAI on the detailed approach to this consultation paper.

Zoom Entertainment Network Limited, operating the Bollywood focused television channel "ZOOM" submits its views on the consultation paper which are enclosed herewith.

Request you to kindly take note of our submissions.

Thanking you,

**Yours truly,  
For Zoom Entertainment Network Limited**



**Aamod Gupte  
Vice President -Legal and Business**

Encl: as above

## **Interconnection issues for Addressable Platforms**

### **Point -6.2.1**

We are of the view that the Interconnection Regulation (IR) should make it mandatory for all broadcasters to publish Reference Interconnect Offers (RIO) for all addressable systems and the broadcasters should be permitted to offer different RIO for different platforms as each platform is a unique business that requires content depending upon the clientele it serves. In order to ensure that each such addressable platform acquires content on competitive terms, with the objective of providing quality service to consumers at affordable prices, and enhance healthy competition, it is important to allow broadcasters to offer different RIOs for different platforms. The Regulation as they stand today mandatorily requires broadcasters to publish their RIOs for non-addressable platforms and for DTH services.

### **Point -6.2.2**

Publication of RIO's for different platforms, is the best methodology to ensure that all addressable platforms have content available to them

### **Point – 6.2.3**

The specifications and requirement laid down in the Annexure to this consultation paper are elaborate and should be enforced. However, guidelines in the form of uniform quality of services and subscriber management to be maintained by all service providers across similar platforms would protect the subscriber and enhance healthy competition

### **Point -6.2.4**

Firstly there should be process of compliance set in place, clearly outlining the steps which a network operator desiring a signal should comply. The steps can roughly comprise of providing of an applications with details and supporting documents as per set guidelines. Thereafter, an independent body comprising of individuals from the industry itself should be given the mandate to check, verify and authenticate if any network has complied with the requirements specified. Such a body should be given the power to scrutinize, and direct compliance as per the set out process.



**Point – 6.2.5**

Till such time as digitization across of all platforms is achieved, hybrid cable networks providing both analogue and digital services should be each treated distinctly and separately. Each should have their own specific set of guidelines/rules for compliance with the tougher guidelines set for Analogue, thus compelling the network to switch to digital for easier compliance.

**Point – 6.2.6**

“Commercial Subscribers” basically mean subscribers other than residential subscribers, who derive commercial gain or benefit by subscribing to the services on any distribution platform . YES there is a need to define “Commercial Subscribers” uniformly across all platforms and further more a need to set out clear distinctions between different commercial subscribers for the sake of pricing, compliance etc.

**Point -6.2.7**

Yes as stated above there is a clear distinction to be brought out between commercial and non-commercial subscribers. Once the definition of “Commercial Subscriber” is set out and the distinction is evident, then automatically different set of guidelines/rules should be made applicable. Thus in the interest of both the commercial and non-commercial subscribers publication of different RIO's should be mandated.

**Point – 6.2.8**

Yes the regulation should mandate the mandatory publication of Reference Interconnect Agreements (RIA's) instead of RIOs. The RIA's should be on the basis of guidelines set out by the Authority. This would eventually prevent any delay's in signing and also ensure total transparency and uniformity.



**Point – 6.2.9**

In our view the time period of 45 days prescribed for signing of Interconnection Agreements is adequate and the question of reducing the same does not arise, for reasons stated in Point 8 above.

**Point – 6.2.10**

NO, prohibition should not be imposed upon broadcasters with respect of packaging of channels. Broadcasters are best suited to determine on the basis of their research and feedbacks as to how their different channels should be packaged. Further packaging of channels by the broadcasters itself would prevent any broadcaster from alleging favoritism by the operator towards any particular channel.

**Point – 6.2.11**

As far as the pricing of the channels offered by broadcasters is concerned, the same should be as per the guidelines issued by the Authority. In order to ensure that the channels are not distributed at very high margins by the distribution platforms resulting in reduction of the number of subscribers to a channel/bouquet and also to prevent adverse effects on the revenues of the broadcasters, it is important to determine the retail price at which a channel/bouquet is offered by a distributor to his subscribers. The concept of “fari Pricing” should be kept in mind.

**Interconnection issues for Non-Addressable Platforms**

**Point -6.3.1 & 6.3.2**

Yes, in our view it is necessary for the Regulation to specify the terms and conditions to be included in the RIOs for non-addressable platforms as has been done in case of DTH platforms. In addition to disclosing the a-la-carte rates of the channels, broadcasters should also be required to disclose details of discounts, rates of channels/bouquets and anti-piracy requirements, as is the case with respect to RIOs for DTH operators. This would bring in more transparency in terms of the price and the packaging of the channels/bouquets offered to distributors who in turn offer them to the subscribers.



## **General Interconnection Issues**

### **Point – 6.4.1**

Yes, as stated above it should be made mandatory for any service provider to prove due compliance of the QoS for it to enjoy the benefits/protection under the interconnect regulations. This step is help ensuring that the subscriber would be provided with adequate and proper services as per the guidelines set out and further in the event of default, such a service provider can be taken to task by the authority on receiving complainants.

### **Point – 6.4.2**

Clause 3.2 of the Interconnect Regulations requires broadcasters to provide signals to TV channel distribution platforms on non-discriminatory terms. There is no corresponding obligation cast on the distributors to carry the channels without discrimination i.e. charging carriage fees to carry or place the channels in a specific package/bouquet. This results in broadcasters paying higher carriage fees to ensure that their channels are carried.

Yes, broadcaster should be given the opportunity of not making their channels available to distribution platforms that demand carriage fee or in it alternative it should be made mandatory on the distribution platforms to make available the channels of the broadcasters on non-discriminatory basis also.

### **Point – 6.4.3 & 6.4.4**

In the interest of the broadcasting industry, there is an urgent need to regulate Carriage Fees. As it is become evident, carriage fees have soared sky high, thus making it unviable for small broadcasters and keeping them at the mercy of the platform. Carriage Fees should be regularized by setting in place a formula for its calculation by the authority keeping in mind the genre of the channel, along with the demand of the channel thus ensuring transparency. As carriage fees are set out in the agreements entered into between the distributor and broadcaster, both parties should not violate the set terms and conditions. Any deviations should be mutually acceptable to each



party. Once a uniform policy is set in place for calculating the carriage fees, it will ensure that features such as stability, transparency, periodicity are maintained.

Channel TRP Ratings should be kept independent of any carriage fee calculation formula. The reason being TRP ratings are mainly concerned with the advertisement industry, which in turn deals with the relationship between the advertisement revenue generated by the channel by sale of advertisement spots. Placement of the channel does not relate to the same.

**Point –6.2. 5**

As per Clause 2.2 of the standard interconnect agreement between broadcasters and MSOs, transmission of signals by an Affiliate or his agents by any mode of transmission, from the head end of the Affiliate to the subscribers is prohibited, unless the transmission is by way of coaxial or optic fiber cable. In our view, a separate negotiated agreement is required to be entered into for such transmission through HITS and an amendment to the standard interconnect agreement would not fulfill the need.

**Point –6.4.6**

A specific standard interconnect agreement between the broadcasters and HITS operators should be prescribed by the Authority, however besides HITS specific related issued, the basic frame work of the agreement can be adopted from the standard interconnect agreement between broadcasters and MSO's for CAS areas.

**Point – 6.4.7, 6.4.8 & 6.4.9**

Similar restrictions as set out in Sub clause (1) of Clause 9 of the Direct to Home Broadcasting Services (Standards of Quality Service and Redressal of Grievances) Regulations, 2007, should also be extended to the standard interconnect agreements between the broadcasters and the DTH operators. Thus helps in preventing any arbitrary change in policy by the broadcaster. All subscribers can be clearly informed that the particular subscription is applicable for a minimum period of six months from the date of subscription. The recommendation of continuing to provide signals to a DTH operator, for a period of six months after the expiry of the Interconnection



Agreement between the broadcaster and the DTH operator, should be available at the broadcaster's discretion.

Alternatively, a regulations can be explored which allows de-subscription within the first six months of subscription by a subscriber to a package, with proportionate subscription fee credited back to the subscriber.

### **Registration of Interconnect Agreements**

#### **Point –6.5.1**

Yes it should be mandatory, that all Interconnect Agreements between broadcasters and TV channel distributors should be in writing. Oral Agreements, often result in disputes and differences.

#### **Point – 6.5.2**

As stated above, it is in the beneficial interest of both parties and in order to avoid any differences and disputes that an agreement in writing is executed.

#### **Point – 6.5.3**

If the authority is going to make it mandatory for all Agreements to be executed in writing, then not offering any regulatory protection for oral agreements would suffice. On it being made mandatory to ensure that all Agreements are in writing, distributors would automatically insist on a written agreement before commencing of services

#### **Point –6.5. 4**

Since, different states provide for stamp duty payable on all agreements, it may not be practical to execute two original Agreement copies. What can be done is to make it mandatory for the distributor to be given a certified true copy of the Agreement



**Point –6.5.5**

Yes, it should be made mandatory to set such a process of taking acknowledgments in place. If such a process is in place, it eliminates the chance for any party to claim that they have not read /signed /received a copy of the Agreement.

**Point – 6.5.6**

No, there should not be a need for a broadcaster to submit any certificate, certifying that signed copy of interconnect agreement has been handed over and acknowledgement received. This would only increase the hardships of the broadcaster who would need to do additional paperwork and reporting. The broadcaster can be called upon to submit proof of acknowledgement as and when the situation demands.

**Point – 6.5.7**

It is our view that the periodicity of filing Interconnection Agreements need not be revised and the present requirement of filing details of Interconnection Agreements on a quarterly basis is adequate.

**Point – 6.5.8**

No comment in view of what has been stated above.

**Point – 6.5.9**

A time period of atleast 60 days from the date of receipt of the notice should be provided to the broadcaster /DTH operator

**Point – 6.5.10**

A retention period of three years, for filings made in compliance of the Regulation, would be reasonable and fair.





**Point –6.5.11**

In order to ensure that confidential data in physical form/CDs/DVDs are not misplaced and to ensure a most cost effective and efficient way, It would be better if the data ( after being physically signed) to be submitted to the Authority is directly uploaded on the Authorities website in PDF format. What this process does, is it eliminates the chances of any loss of data during transportation and further easily accessible. This section of the Authorities website should be password protected and accessed only by authorized persons.

**Point – 6.5.12 & 6.5.13**

Yes interconnection filings should be placed in public domain and made available for public viewing . However, the Authority may consider keeping commercial information confidential

