

CABLE OPERATORS SANGRAM ASSOCIATION.

34/A, Radha Madhab Dutta Garden Lane.

Kolkata 700 010

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Date: -31/12/2015

To,
Mr. Sunil Kumar Singhal,
Advisor (B&CS),
TELECOM REGULATORY AUTHORITY OF INDIA
Government of India
Mahanagar Doorsanchar Bhawan, Jawahar Lal Nehru Marg.
New Delhi – 110 011
Respected Sir,

At very inception of this letter, at the same time we apologize to encroach upon your precious time from your daily schedule of full of activities. At the same time we are in pleasure to acquaint you “**HAPPY NEW YEAR**” in advance.

Before register our comments on the draft of Inter Connection Agreement, there is a feeling that the Local Cable Operators (LCO) will soon witness the episode of losing their income and business built up by them over a period of 25 years. Someone will initiate to writing of a new period of history in India in the converged digital media space.

We the Association of Cable TV Operators of West Bengal take this opportunity to heartily congratulate you to allow us with the chances to

place observation from the end of LCOs on the various issues of draft Interconnection Agreement.

We on behalf of our members requested repeatedly to MSOs through several letters since the inception of DAS to start the discussion of Interconnection Agreement and settle mutually, a draft copy of Interconnection Agreement also sent to MSOS an year before copy (Annexed herein below), but MSOs paid no heed on our request.

More so ever the common points of our comments with the clauses of the Draft Inter Connection Agreement are as follows,

1. You permitted scopes to discuss on the various points of the draft Inter Connection Agreement, but undoubtedly it can be said that MSO will not pay attention to start discussion to accomplish Inter Connection Agreement as before, if there be no directive to MSOs to discuss. We the witness of such attitude of MSOs since inception of DAS. The ignoring attitude of MSOs helped them to placed under the heap of the dumped garbage the several request letters from our end.
2. The LCOs of the areas where DAS already introduced being habituated with the threatening, illegal practice, as well as expertise with the high handed attitude of MSOs. For these reasons it is assuming that mutual discussion among MSO & LCO may be a day-dream, and LCOs will be forced to file Petition before the Learned Tribunal.

3. . Revenue Sharing is not proportionate with the present market value; the parentage of telecom regulatory authority of india (TRAI) proposed in the year 2012 when 1 dollar was equivalent with Rs. 43. Today 1 dollar is equivalent with Rs. 63.66. Considering with the aspect of reality we demanded 80% revenue to LCOs through the letter dated 11/08/2014 to MSOs.we are sure that MSOs will refer the previous recomendetion of TRAI.
4. Considering the continuous threatening of disconnection of MSOs , it is impossible to pay monthly payment in prepaid mode or the date mentioned in the different Agreement of MSOs because Subscribers are unstable and they are not adapted with advance payment scheme since inception of CATV.
5. There is no acknowledgment of LCOs in the Agreement,MSOs reffred LCOs as “AFFILIATE” though total liabilities lies on to LCOs.
6. We crave our comments to demand **CARRIAGE FEE, PLACEMENT FEE,** and **ADVERTISEMENT REVENUE .**
7. There is no scopes in the Agreement to run Local Channel of LCOs , when TRAI establish Legally that, LCOs who transmit local T.V. Channel are **GROUND BASED BROADCASTER.** On 19 Nov 2014 TRAI Recommendation on Regulatory Framework for Platform Services. & given Legal Birth as **GROUND BASED BROADCASTER** in Indian Broadcasting Space.

8. No privileges allowed in the Agreement to allow LCOs least percent (our demand 1% of total Set Top Boxes) of demo type active Set Top Box without monthly charge.
9. The Agreement is one sided, as it is prepared by MSOs, and have not taken on the table of discussion with the LCOs the clauses introduced; MSOs have not even allowed LCOs to receive the draft copy of the same to consult with the Legal expert.
10. Lots of responsibilities lie on LCOs according to the Agreement but there is no proposal of welfare LCOs business.
11. There are no assurances and /or future road map of technical advancement.
12. The language of Agreement is in English, most of all LCOs are not calm with English language we prefer the Agreement should be in mother language.
13. MSOs are not ready either to consult with the LCOs regarding the clauses of Agreement or cross out the obnoxious clauses adverse to continue the business of LCOs.

14. It is require to arrange to publish the copies of Agreement in the web site of TRAI.

Sir we hope LCOs will get act of kindness with the kind conclusion on the Issues on Interconnection Agreement (Annexed here in below) where the question of bread and butter related otherwise thousands of LCOs along with their member of staff will lead to unemployment.

Without prejudice to our rights and contentions to the notice of of TRAI ,we are going to raise the following issues need consideration of the appropriate authorities.

Thanking You
Yours faithfully
Apurba Bhattacharya
Secretary
Contact No 9830939813

Sl. No.	Issues on with intervention of TRAI is sought
1.	The Interconnection Agreement between MSOs & LCOs should be on the "PRINCIPAL TO PRINCIPAL" basis instead of present recommendation of Respondant "PRINCIPAL TO Agent" basis.
2.	Wholesale tariff rates have been frozen based on 2012 market value. Inflation linked hike is not given from time to time The MSOs utilize the opportunities.

3.	Retail tariff regulation provides upper ceilings based on number of channels provided to the subscriber and category of habitation of the subscriber.
4.	Revenue share between MSO and LCO left to mutual negotiations. MSOs compel Petitioners with high handed attitude to enter Interconnection Agreement instead of negotiations.
5.	It is require filing the details of carriage fee received by MSOs and Broadcasters to file the details of carriage fee paid to MSOs.
6.	All Revenues from Video channels gone to the MSOs. A number of local video channels (unregistered), to the extent of 20 channels or more are provided to consumers using LCO network. No ad revenue or carriage fee given to LCO.
7.	The MSOs are geting heavy carriage fees from hundreds of channels without sharing it with LCOs whose networks are used to reach the subscribers.
8.	The MSOs are making money from political campaigns, value added services (HD, VOD, games), paid news and other sponsored events but no share given to LCOs to use his subscribers.
9.	MSOs not yet declared Terms & conditions, scheme and the warranty of Set Top Boxes as well as charges of amount to repair Set Top Boxes.
10.	On the basis of practical ground experience such as display at the Cont. Room of LCOs to uphold the essence of Digitization and also on the point of catastrophic situation or natural calamities it is require to relax the payment of at least 1% Set Top Box of total connectivity of LCOs .

DRAFT COPY
INTERCONNECTION AGREEMENT BETWEEN MULTI
SYSTEM AFFILIATE (MSO) AND LCO

Executed on _____ day of _____ 20__ at

PARTIES

_____ (hereinafter referred to as the “MSO” which expression shall unless repugnant to the context or meaning thereof, be deemed to include the successors and assigns) of the ONE PART.

AND

*[M/s _____, a partnership firm /a Company incorporated under the Companies Act, 1956,/ a proprietary concern, having its office at _____ (hereinafter referred to as the “LCO” which expression shall unless repugnant to the context or meaning thereof, be deemed to include the successors in business and permitted assigns, legal heirs, executors) of the OTHER PART.

REGISTRATION DETAILS OF MSO AND LCO

I. MSO is a registered Multi System Affiliate under Rule 11 of the Cable Television Networks (Amendment) Rules, 2012 and is engaged in the business of establishing head-end and network operations and also distribution of television channels in digital mode through Digital Addressable Systems (“DAS”) in the areas notified by the Central Government under Section 4A(1) of The Cable Television Networks (Regulation) Act, 1995 (7 of 1995) as amended by the Cable Television Networks (Regulation) Amendment Act of 2011.

II. The LCO is a registered Cable TV Operator with the local post office having its postal registration no. _____ dated _____ and is authorized to carry on it business as LCO within the area of Cable TV Operation specified in the area map enclosed herewith (hereinafter referred to as “Territory”).

Both the parties agreed to enter into interconnect agreement as per TRAI guidelines, the following terms & conditions also agreed between the parties.

GRANT OF RIGHTS

Subject to the terms and conditions of this Agreement, the right to receive signals of its Digital Cable TV and other allied services through the Trunk Line/ IP line/Other permissible mode from the end of MSO and means for further instant re-transmission by the LCO to the subscribers in the Territory on the terms and conditions herein set out. Parties both entering into contractual business mode neither partnership nor envisage the relationship of Employee & Employer.

SPIRIT OF THE UNDERSTANDING

In respect to the mutual consequence, MSO & LCO recognize to achieve success in the business in the Digitization mode and shared unity of purpose to deliver best service and content to the Cable TV Subscribers to uphold digitization in the following manner.

1. To short out any problem united representation to Regulatory Authorities , Government (both Central & State) and Channel Providers.
2. United activities of MSO & LCO to make contact with the Subscribers on the subject of the promotional offer time to time.
3. Joint effort of of MSO & LCO to Upgrade of the Cable TV Network and adoption of future Technology as require.
4. Both MSO & LCO will be attentive to generate additional revenue for each other through their service based on modernization of the existing Cable TV Network.
5. MSO & LCO will transfer their ideas time to time.
6. LCO will share the response and insist for content and service of the Cable TV Subscribers with MSO.
7. For the sake of business and on the issue of technical feasibility of Cable TV Network, LCO may decide to enter to the interconnect agreement with one or more alternate MSO.
8. Considering the business preposition of LCO, and on the issue of inadequate service of MSO referring to the technological crisis day after day, and dissatisfactory reception of Cable TV Signal from MSO, or substandard Set Top Boxes, LCO may desire to terminate this

agreement for the total area of his network or part of his network at any time with a notice.

9. LCO should ensure to return the Set Top Boxes, MSO provided, on Hire / Rental basis as well as the accounts till the date of termination of this agreement.

RIGHTS & OBLIGATIONS

MSO

1. Digital Addressable System such as Digital Head –end, provision of CAS and Subscriber Management System (SMS).
2. Supply of Set Top Box that well matched with the Digital Signal.
3. To receive complaints on technical aspects from the LCO and arrange to provide necessary advice/ assistance to carry out the required rectification work to be done by the LCO. The MSO will provide all technical consultancies and help to the LCO as and when required by him for up-gradation of its system and enhancement of quality of signals.
4. Arrangement of distribution of Digital Signals in good quality through the trunk line, up to the connecting point of LCO.
- 5 To provide facility of Call Centre to register and resolve the subscribers Complaints,
6. Execute ala-carte channel / package viewing choices and requests of subscribers.
7. Circulation, Propaganda and or display of content of channels in thePackage,changes of channels in the Package, price of package, special scheme and/or offer time to time to enable higher off-take.

LCO

1. Ensure the strict adherence and compliances of the Standard of Quality of Service (Digital Addressable Cable TV Systems) Regulations, 2012 other applicable TRAI Regulations, other laws, Rules, Regulations, Orders, Circulars, Notifications, etc.

2. Ensure the deployment and usage of only such STBs and VCs at the subscriber's end are approved or provided by the MSO and are compatible with the network of the MSO.
3. Promptly make payment as per this agreement, in respect of the Services availed/ to be availed from MSO during a month.
4. Maintain and upgrade the outdoor plant of the operational area of LCO wherever necessary at its own cost and liability in order to facilitate proper distribution of channels and services of the MSOs as per QOS and mandated by the appropriate authority.
5. LCO Agrees to pay all the relevant tax and statutory payment from time to time.
6. The LCO shall be responsible to deliver to the subscribers the billing details as MSO provided and collect Subscription with receipt.
7. LCO shall not provide any connection to any person or appoint any person or group of person or enter in an contract or agreed upon for further retransmission of the Cable TV signals for any purpose.
8. The Affiliate shall extend all reasonable co-operations, to the MSO, favoring with SAF , CAF along with the details of the Subscribers as TRAI approved.

BUSINESS CONSULTATION

To accommodate service to the different territory of respective LCO, MSO will record each subscriber with unique ID number according to the Set Top Box provided.

Set Top Box

MSO will provide Set Top Boxes based on TRAI guidelines.

MSO should declare the different scheme i.e. Outright sale, Hire purchase or Rental Basis of Set Top Boxes which have already provided or yet to be provided in future.

Considering the Local situation 1% Set Top Box will be free and MSO will not levied monthly payment against it.

MSO will make provision of stand-by Set Top Boxes inventory of 25 or 2% of strength of territory, whichever is lower, to the LCO. Previously mentioned Set Top Boxes will be inactive mode to replace the same in the warranty period.

MSO will agree to Subscribers with the scheme of subsidies payment for malty numbers of active Set Top Boxes.

MSO will implement the arrangement of monthly concession on the gross payment for six and twelve months.

MSO and LCO are liable to exercise the Power of deactivation of Set Top Box with due notice to the Subscribers who failed to pay monthly subscription in the approved time.

Powers of activation of Set Top Box also lie on to MSO and LCO both with receipt of unpaid payment and attract penalty if any.

BILLING AND COLLECTION

THE MSO SHALL BE RESPONSIBLE FOR

The MSO shall raise monthly Bills/Invoices, based on the price of each channel/bouquet declared by the MSO for the subscribers and the number of channel(s) and/or bouquet(s) of channels subscribed by the subscriber. The monthly Bills/Invoices of the subscribers shall be maintained and updated by MSO . The MSO shall issue unique login id password for the LCO to enable the LCO to access the online System of the MSO through internet, only in respect of and limited to the subscribers catered by the LCO.

THE LCO SHALL BE RESPONSIBLE FOR

- (a) The LCO will provide printouts of the Bills/Invoices to the subscribers catered by it.
- (b) Collection of entire Billed/Invoiced amount from the subscribers.
- (c) Deposit of entire Billed/Invoiced amount with the MSO
- (d) LCO will issue demand letter to MSO to claim amount to pay tax of LCO part in the specified format, acknowledging the MSO role adding "POWERED BY MSO" alongside Header or Footer.

MODE OF COLLECTION OF MONTHLY SUBSCRIPTION

MSO & LCO will provide facilities to the Subscribers to access full range of option of payment through Cash Payment, Cheque Payment, On line Payment, ECS or On Line Payment methods.

Doorstep collection will conduct by LCO at his own cost .MSO,LCO or any Third Party may carry out ECS and/or On Line Collections,On line payment gateway cost will be borne by the MSO.

SETTLEMENT

Apart from the issue of manner of Monthly collection

All collections will updated time to time on regular practice,

LCO hereby undertakes to inform the MSO promptly and provide a weekly STB-wise updated statement of collections to which such Bills/Invoices pertain, irrespective of the fact that it has collected the same from the subscriber or not.

On the subject of transparency, Data visibility will be making available to the nominated person from both MSO & LCO on Right to inform basis.

MSO is responsible to pay the payment of the Broadcasters.

LCO & MSO are responsible to pay their respective Taxes.

REVENUE SHARING

Subject to REVENUE SHARING compliances of its obligations, responsibilities and duties as per this Agreement including but not limited to obligations of the LCO mentioned of this Agreement pertaining to Billing and Collection, the LCO shall be entitled to the following consideration excludes Set Top Box, Activation Charge, and Carriage Fee etc. Such

considerations as mutually agreed between the MSO & Affiliate as per the market conditions from time to time,

Rate Of different packages	Rate of Basic Package	MSO Share	LCO Share	Rate of Pay Package	MSO Share	LCO Share	Remarks
Rs. 100/	Rs. 100/	NIL	Rs. 100/	NIL	NIL	NIL	
Rs. 180/	Rs. 100/	NIL	Rs. 100/	Rs. 80/	45%	55%	
Rs. 230/	Rs. 100/	NIL	Rs. 100/	Rs. 130/	35%	65%	
Rs. 280/	Rs. 100/	NIL	Rs. 100/	Rs. 180/	32%	68%	

CARRIAGE FEE, PLACEMENT FEE, and ADVERTISEMENT REVENUE

The Revenue of **CARRIAGE FEE, PLACEMENT FEE,** and **ADVERTISEMENT REVENUE** will be distributed on the basis of the nos.of Set Top Boxes introduced int Cable TV Network of the LCOs.

MODIFICATIONS

The Agreement cannot be modified, varied or terminated except in writing. Any variation of the Agreement, including Addendum Agreements, Annexure, schedules or any other document, called by whatever name, but executed relating to this agreement, shall be mutually agreed to in writing and executed by or on behalf of the Parties.

TERMS

This Agreement shall be effective from _____, 20__ and will remain in force for 3 (Three) years unless terminated.

Accounts for Invoice raised/payments made will be effected within 30 (Thirty) days of agreement and will be settled within 15(Fifteen days) thereafter.

DAS billing to the Subscribers will be commenced after 2(Two) months.

. CONFIDENTIALITY

1. The parties shall keep in strict confidence, any confidential information received by one from the other while participating in the affairs/business of each other and shall not disclose the same to any person or party not being a party to this Agreement

2. The parties shall also bind their employees, officers, advisors, associates, contractors, agents, authorized persons and other similar persons to whom the above mentioned information may be disclosed, to the obligations of confidentiality as prescribed in Clause 19.1 above

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BINDING EFFECT

This agreement modifies all prior understanding of the parties as to the subject matter hereof and shall not be amended except in writing by both the parties. Any other understanding between the parties (if any) with

regard to any other matter such as Internet, etc or any accrued rights and obligation of the Parties, if any, shall continue to be in full force and effect.

IN WITNESS WHEREOF THE PARTIES HAVE SET AND SUBSCRIBED THEIR RESPECTIVE HANDS TO THIS AGREEMENT ON THE DATE AND YEAR APPEARING HEREINABOVE

Signed on behalf of the MSO _____

Signed on behalf of the LCO _____
(Authorized Signatory) (Proprietor)/ (Partners)/ (Director)

In the presence of

1.

2.