



August 24th, 2022

To,
Anil Kumar Bharadwaj,
Advisor (B&CS)-II,
Telecom Regulatory Authority of India.

Subject: Comments/Observations on behalf of DEN Networks Limited on the Consultation Paper titled “Renewal of Multi-System Operators (MSOs) Registration” dated 20.07.2022 (“CP”).

Dear Sir,

We would like to express our gratitude for providing us with the opportunity to share our observations on this Consultation Paper.

At the outset, it is noted that the comments in this paper are premised on our understanding of the broadcasting and cable TV industry practices, its gradual growth over the decade and the current legislative structure. We humbly acknowledge and appreciate the efforts that the Authority has put forth in initiating a CP on such a significant issue that is in relation to the Renewal of Multi-System Operators (MSOs) Registration.

It is stated that while we stand supportive of the vision that is envisioned by the Authority in this particular consultation paper and needless to say that this will establish a robust mechanism for renewal of registration of MSOs, it is observed that though the Authority has formulated a robust mechanism for regulating business operations by the MSOs vide the New Regulatory Framework which is in effect since April, 2019, however, its effectiveness and implementation is far from fulfilled as even after the passage of considerable amount of time since then and despite issuance of repetitive directions by the Authority to that effect, several MSOs, till this date, do not even meet the basic and minimum technical parameters that have been specified by the Authority. There are a substantial number of MSOs who have either not started to operationalize their respective businesses or have not complied with the parameters of the Applicable Regulatory Framework in true letter and spirit, but they still continue to remain registered with MIB despite the clear obligation enshrined in the license for commencing their business operations within a period of six months of registration.

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However, before responding to the queries posed in the Consultation Paper, by way of brief background, we would like to highlight the challenges being faced by the Multi-System Operators in absence of license renewal regime in Broadcasting Sector.

1. It is to be highlighted in order to bring to the notice of the Hon'ble authority that the primary challenge faced by us as a MSO is difficulty in getting our MSO license renewal due to absence of set guidelines for the same.
2. Further, it is to be highlighted that too many changes in Regulatory framework brings huge paradigm shift in the broadcasting & cable industry which leads to massive erosion of subscriber base due to the inconvenience caused to the customers while complying. Hence we demand a stable regulatory regime.
3. Although, as on date there are 1760 registered MSOs but only handful are compliant with regulations whereas the other are complacent in adhering to the Applicable Regulatory Framework.

Thanking You
Yours Faithfully

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Specific responses to the issues raised in the Consultation Paper are detailed below for your perusal:

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 We are of the opinion that the period of extension should be ten years after expiry of the initial period of permission of MSO registration. The same has been suggested considering the high investment and operation cost incurred by the licensee towards installation of digital headends, offices, CAS, SMS etc. This should be in consonance with other renewal extension period provided to television service providers other than MSO. This will bring uniformity in the registration and renewal regime for all stakeholders in the industry. Therefore, the validity of MSO license for a period of ten years will also ensure that the validity of license period is in consonance with the security clearance permission. It is further stated that while the MSO license shall remain valid for a period of ten years, the compliance parameters as have been prescribed by the Authority under CP, shall be reviewed by the Authority on a bi-annual basis for each of the MSOs and those found in non-compliance should be subjected to license cancellation and should be barred from further MSO registration.

We also state that the Authority has itself recommended that DTH license shall be renewed for a period of ten years. Hence, to ensure parity amongst the Distribution Platform Operators (DPOs), the license issued to MSOs shall also be renewed and remain valid for a period of ten years.

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 The Cable Television Networks Rules, 1994 do not prescribe any other fee or charges except the processing fee for the MSO registration. The CTN Rules

do not prescribe any procedure or processing fee for renewal of MSO registration. However, with the view to regulate and ensure compliance, we suggest that there should be a fee of Rs. 1,00,000/- at the time of renewal of the MSO registration. This renewal fees will not only ensure accountability of MSO for providing quality services but will also work as a deterrent for those who have not been doing so and the same may also be revised from time to time based on market practices.

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 In our opinion there should be an appropriate time window for renewal when the license is due for expiry, and the MSO should submit its request for renewal, before a period of Ninety days (90) and in case the license is expired then not later than a period of thirty (30) days upon expiration with all the required and applicable documents so that an application for renewal of MSO registration could be processed. This will ensure that the compliances are duly met and in case of any deficiency that could also be met before the application itself. Also, this will not only help MSO and government authorities but also to other stakeholders such as broadcasters, LCOs and so on to be apprised about the same.

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 In such a case a provisional license can be issued and if by any reason the license could not be renewed, the same should be intimated to the consumers within reasonable time so that the services could be discontinued or as the case may be.

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 We would like to state that in case an MSO has failed to apply for renewal even after the lapse of 30 days grace period then such expiry of registration should be deemed as permanently terminated/expired. The Ministry should publish a list of such MSOs whose registration stand expired, on a monthly basis, and correspondingly the broadcasters should be directed to strictly refrain from transmitting its signals to such MSOs.

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 renewal can be entertained by MIB?

Response In response to this question, we rely on the submissions made in the previous questions and state that the provision of time widow will ensure that such circumstances could be avoided. If there is any delay in filing application for renewal of MSO license then in such cases 30 days grace period could be given by MIB with an additional fee of Rs. 10,00,000 (Rupees Ten Lakh Only) without further extension.

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

Response In our opinion there should be an additional fee of Rs 10,00,000/- (Rupees Ten Lakhs only) for such applications that are received after the expiry of registration period. This will prove as a deterrent for those who fail to comply with the due dates of filing.

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 network.

Response It is state that whenever any request for license renewal is made by any MSO, it should be referred to the Authority for initial review in the light of the comprehensive list of regulatory compliances as have been mentioned by the Authority under Annexure-III of the CP and in case of shortfall in compliance or otherwise as required under Annexure-III, the Authority shall issue a show-cause notice and an opportunity for personal hearing to the any such MSO at any point in time. The application for renewal shall be forwarded to MIB for further process, only after the same is approved by the Authority.

In addition to the aforesaid, the authority should put a mandate for the MSO applicant that it should also submit the details with respect to date of commencement of business operations, details of Digital Headend and TRAI Regulation Compliant Certificate by empanelled auditor along with the area of operations as on the date of renewal. Further, the documents should also be uploaded on the Broadcast Seva portal by the MSO. In addition to these an Affidavit stating all compliances are duly complied with should also be annexed by the MSO.

3.7 Should there be any additional terms and conditions for renewal of the permission for MSO registration? Please elaborate.

Response We are of the opinion that the list shared by the authority is exhaustive and does not require any modifications at this stage for the processing and grant of renewal registration to the MSO concerned.

3.8 Stakeholders may also provide their comments on any other issue relevant to the present consultation.

Response No Comments
