

#### TRAI - Consultation Paper on 'REGULATORY FRAMEWORK FOR PLATFORM SERVICES'

#### Our Feedback on the Issues for Consultation

### **Issue No. 1: Definition of Platform Services (PS):**

### **Our Suggestion:**

- a. On a preliminary ground the Definition stated for Platform Services (PS) cannot be universally named to refer the services of Cable TV Channels with that of the content provided by DTH, IP TV or HITS, since they are distinctly different in their operations and hence the same thumb rule shall not to apply for those services in common. Hence, the Cable TV Channel provided by a Cable MSO may be called as 'PS-Cable' and the contents provided by other DPOs may be called as 'PS-DTH' to have a better reference of the services of these platforms.
- b. For the sake of clarity, we hereby narrate the following prime facts about the PS Cable Channels:
  - 'PS-Cable' on DPO's are with or without affiliation to the Cable Network: Programs transmitted in the form of Local Channel are not only operated by the DPO (MSO) but also by several private parties without any affiliation to the Cable Network. Initially, a Cable TV Channel was operated only by the MSO and Cable TV Operators mainly used to transmit films in those channels.

Later, when local events and functions were telecasted, the same has attracted the local viewers which has roped in many professional local Photo & Video studios, advertising / marketing agencies and other enterprising parties who have no connection to the MSO or the Cable Network Industry have started operating the Cable TV Channels in the network of one or more MSOs.

• **PS Cables operated in more than one location:** In Tamil Nadu where Tamil Nadu Arasu Cable TV Corporation is the only MSO for the areas other than Chennai. There are about 1000 Cable TV Channels are being transmitted in those channels in which more than 50% of them are run by persons who doesn't have any connection to the Cable TV Network Industry. There are many private entities



operate their cable channel at more than one location in the network of Arasu Cable. Those channels are operated by Photo & Video Studios, Private Limited Companies, Public Limited Companies, local Advertisers, advertising agencies, marketing companies, Self Employed Youth etc., Hence the reference in the definition 'with or without' affiliation to Cable TV Industry and 'Cable Channels operated by one party at many locations is very important and crucial in reference.

• PS Cable Channel Industry in Tamil Nadu: About 5000 people are involved in the PS Cable Channel Industry by various means. There are about 1000 Cable TV Channels in Tamil Nadu with a minimum of 3-4 people working (either full time or freelance method) for every Cable Channel. Apart from this there are around 1000 people involved in Procuring Advertisements for the Cable Channels across Tamil Nadu. There are also many free-lance local content producers who sell their contents to PS Cable Channels. We have few enterprises who have acquired exclusive copyright of over 1000 films for retransmission in local TV channel, who in turn license the copyright to all the local channels in Tamil Nadu.

Hence, around 5000 people who's income is solely dependent on this Industry. The National Scenario will be a mass of huge network of people who's livelihood depends on this Industry of local channel.

*c.* **APT DEFINITION FOR PS CHANNEL:** Hence considering the above facts the apt definition for a PS (Cable) should be:

'Platform Services (Cable) are programs produced and operated, whether by MSO or by other Entities at one or more locations with or without affiliation to the Cable Network and transmitted by Distribution Platform Operators for a Carriage Fee, to its subscribers exclusively and does not include Doordarshan and TV Channels permitted under downlinking guidelines'

### PS Channels cannot transmit / include:

### Issue No. 2.1.1: Any News and / or current affairs programs.

### **Our Suggestion:**

The main reason for considering News / Current Affairs is that the local news is very important for the neighborhood to keep track of happenings around them. This would no way compete with the mainstream satellite channels. In any case the mainstream satellite channels cannot focus news on micro levels, everytime.

News & Current Affairs programmes were objected mainly because there were no rules governing the functioning of the PS itself. Now that stringent rules and regulations are to be in place, the monitoring and regulating a news channel becomes a practical possibility. Obviously new set of rules governing News have to be framed exclusively for the Cable Channels.

### Issue No. 2.1.2: Coverage of Political Events of any Nature:

### **Our Suggestion:**

- As suggested in clause 2.1.1, Coverage of Political Events of any Nature may be permitted since they are part of the local governance and the local viewers deserve to know the political scenario.
- The sensitive issues on coverage of Political Events may practically be controlled on framing new rules and regulations exclusively for Cable Channels.

Issue No. 2.1.3: Any program that is / has been transmitted by any Doordarshan Channels or TV channels permitted under uplinking/downlinking guidelines, including serials and reality shows.

#### **Our Suggestion:**

• This issue shall apply only if the entire copyrights of the said content including serials and reality shows west's with Doordarshan or the respective TV channels permitted under uplinking/downlinking guidelines.

# *Issue No. 2.1.4: International, National and State level sport events/tournament*Our Suggestion:

• As the PS-cable channels exists only at local level 0such events go beyond its relevancy.



### PS Channels CAN transmit/include:

Issue No 2.2.1. Movie/Video on Demand:

Our Suggestion: Agreed.

Issue No. 2.2.2: Interactive Games.

Our Suggestion: Agreed.

Issue No. 2.2.3: Coverage of local cultural events and festivals, traffic, weather, educational / academic programs (such as coaching classes), information regarding examinations, results, admissions, career counseling, availability of employment opportunities, job placement.

Our Suggestion: Agreed.

Issue No. 2.2.4: Public Announcements pertaining to civic amenities like electricity, water supply, natural calamities, health alerts etc., as provided by the local administration.

Our Suggestion: Agreed.

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Issue No. 2.2.5: Information pertaining to sporting events excluding live coverage. Our Suggestion: Agreed.

Issue No. 2.2.6: Live coverage of sporting events of local nature i.e., sport events played by district level (or below) teams and where no broadcasting rights are required.

Our Suggestion: Agreed.

Issue No. 3: What should be the periodicity of review to ensure that the PS is not trespassing into the domain of regular TV broadcasters?

Our Suggestion: One Year.

Issue No. 4: Should it be mandatory for all DPOs to be registered as Companies under the Companies Act to be allowed to operate as PS? If not, how to ensure uniform legal status for all DPOs?

**Our Suggestion:** DPOs and PS are separate entities. As defined herein in Issue no. 1, However, it is agreed that all PS need to be a Company registered under Companies Act, 1956 to be allowed to operate as PS.



'However, the permission may be granted only for PS channels with or without any affiliation to the DPOs who fulfils adequate pre-requisites like Professional News Network with Qualified Journalists, ample Net-worth and etc.,'

## Issue No. 5: Views if any for FDI limits?

**Our Suggestion:** The case of FDI limit shall be applicable only to the for DPOs operating PS channels with News and Current Affairs, Hence. We suggest that the FDI limits pertaining to Satellite channels can be considered for the PS channels which fulfills the eligibility criteria for news.

# Issue No. 6. Should there be any minimum net-worth requirement for offering PS channels? If yes then what should it be?

**Our Suggestion:** Yes. The net-worth of channels should be measured according to the area of operation of the PS. If the PS wishes to operate in more than one DPO, it has to be ascertained according to the classification of each geographical area of operation. Broadly, it may be classified into 3 parts – Bigger area coverage can be classified as 'A' Grade, Medium level area coverage can be classified as 'B' Grade and Smaller area coverage can be classified as 'C' Grade.

## **PS Channels with News & Current Affairs:**

Net-worth for 'A' Grade can be kept as Rs.15 Lacs

Net-Worth for 'B'Grade can be kept as Rs.10 Lacs

Net-Worth for 'C'Grade can be kept as Rs. 5 Lacs

PS Channels without News & Current Affairs:

Net-worth for 'A' Grade can be kept as Rs. 5 Lacs

Net-Worth for 'B'Grade can be kept as Rs 3 Lacs

Net-Worth for 'C'Grade can be kept as Rs. 1 Lacs

**Note:** For the sake of clarification, we state that a single PS channel provider who wishes to transmit his channel in multi location either through single DPO or through multiple DPOs at:

State level shall be graded as 'A' District level shall be graded as 'B'

Taluk level shall be graded as 'C'.



Issue No. 7: Do you agree that PS channels should also be subjected to same security clearances / conditions, as applicable for private satellite TV Channels?

Our Suggestion: Yes, Agreed.

Issue No. 8: For the PS channels to be registered with MIB through an online process, what should be the period of validity of registration and annual fee per channel?

Our Suggestion: Validity shall be for 10 years and the annual fee can be kept at Rs.5,000/per PS Channel considering the low revenue of the PS channels.

## Issue No. 9: What is your proposal for renewal of permission?

Our Suggestion: The renewal process should be made simple by online process.

Issue No. 10: Should there be any limits in terms of geographical area for PS channels? If yes what should be these limits. Please elaborate your response with justifications.

Our Suggestion: There need not be any limits in terms of Geographical area for a PS Channel.

Issue No. 11: Should there be a limit on the number of PS channels which can be operated by a DPO? If yes, then what should be the limit?

**Our Suggestion:** A DPO can limited with a maximum of 10 PS Cable Channels in their DPO limits.

Issue No. 12: Do you have any comments on the following obligations / restrictions on DPOs:

## 12.1: Non transferability of registration for PS without prior approval of MIB:

**Our Suggestion:** As already pointed out in clause 1 the DPO and PS are different entities who offer different services and hence the non-transferability of registration only vest with the PS and not with the DPO. Hence, the non-transferability of registration for PS without prior approval of MIB is accepted.

12.2: Prohibition from interconnecting with other distribution networks for retransmission of PS ie., cannot share or allow the re-transmission of the PS channel to another DPO.

**Our Suggestion:** Interconnecting with other distribution network is no harm, as long as the content of the same is copy-righted for the extended area of the DPO (Cable) network.



Issue No.: 12.3: Compliance with the Programme & Advertisement Code and TRAIs Regulations pertaining to QoS and complaint rederessal.

**Our Suggestion:** PS (Cable) has to necessarily comply with the Programme & Advertisement Code and TRAIs regulations pertaining to QoS and complaint redressal.

# Issue No.: 13: What other obligations / restrictions need to be imposed on DPOs for offering PS?

**Our Suggestion:** Inter-connection agreement in writing between DPOs & the PS should be mandatory to carry the channel with details of period of contract, Carriage Fee area of operation and etc.

Issue No. 14: Should DPO be permitted to re-transmit already permitted and operational FM radio channels under suitable agreement with FM operator? If yes, then should there be any restrictions including on the number of FM radio channels that may be re-transmitted by a DPO?

**Our Suggestion:** FM radio channels may be permitted in DPO. The number of FM Channels shall not exceed more than 10 per DPO.

# Issue No.:15: Please suggest the mechanism for monitoring of PS Channel: Our Suggestion:

- As the PS (Cable) channels are carried by the DPOs (Cable), it is the responsibility of the DPO(Cable) to ensure a system is in place for monitoring the PS Channels in its network. The DPO(Cable) is obliged to take care of this system, since it is collecting carriage fee for telecast of the PS Channels in its network.
- The DPO(Cable) should in its premises maintain the recordings of all PS Channels by itself or through a 3<sup>rd</sup> party for at least 15 days.
- The DPO (Cable) should also ensure the program list of all the PS Channels are received in 15 days advance prior to telecast.
- The DPO (Cable) should be monitored by the Local Authorities on the content.
- The local authorities should ensure the enforcement of the Programme Code and if there is any violation on the content, action should be taken immediately.

Issue No.16: Do you agree that similar penal provisions as imposed on TV Broadcasters for violation of the terms and conditions of their permissions may also be imposed on PS? If not, please suggest alternative provisions with full justification.



### **Our Suggestion:**

• The penal provisions for PS with respect to fine should be fractional to those imposed on TV Broadcasters.

Issue No. 17: What amendments and additional terms & conditions are required in the existing registration / guidelines / permission / license agreements w.r.t DPOs for regulating the PS Channels?

## **Our Suggestion:**

- DPOs & PS Channels: As mentioned earlier the DPOs and PS Cable Channels are
  distinctly different in their operations and hence a policy to determine the roles
  of each should first be defined as already mentioned in the suggestion of Issue
  No. 1 herein.
- Inter-connect Agreement between DPO and PS Channels- specifying the terms of contract including Carriage Fee, Period of Contract etc., The minimum contract period for a PS Channel should be Two Years, subject to adhering to the terms and conditions.
- Non Discriminative Carriage fee to be collected by a DPO from PS Channels:

A common guideline should be in place for fixing of the carriage fee by the DPO for the PS Channels. Currently the MSOs do not have a standard policy for fixing of the carriage fee for the PS Channels. The guidelines should be nominal and operational for a PS Channel according to each geographical area covered by the DPO, considering the market potential for generating advertisement revenues. Hence a carriage fee for a PS channel in a Big Town cannot be the same for a Small Town. Accordingly, there should be 3 tiers of Carriage Fee for Big, Medium and Small Towns.

Issue No. 18: What should be the time limit that should be granted to DPOs for registration of the existing PS channels and bring them in conformity with the proposed regulatory framework once it is notified by MIB?

#### **Our Suggestion:**

• Once again the registration of PS Channels has nothing to do with a DPO as mentioned in our suggestion for Issue no. 1. Accordingly the DPOs and PS Cable Channels are distinctly different in their operations and the registration clause for PS is pertaining only to it and not the DPO.



• The time frame for an existing PS Channel in a DPO should be given a minimum time limit of 3 months to get it registered to bring them in conformity with the proposed regulatory framework.

Issue No. 19: Stakeholders may also provide their comments on any other issue relevant to the present consultation including any changes required in the existing regulatory frame work?

## **Our Suggestion:**

- It is re-iterated that the operations of DPO and PS Cable Channels are distinctly different in their operations and hence should not be clubbed together. Hence the rules specifying a PS Channel should be exclusive to it and not include the DPO who provides carriage service.
- Especially, after the proposed path-breaking revolutionary regulatory frame work, the PS Channels shall be a recognized media like Satellite Channels and FM Channels. This would help this media grow to reach the grass-roots of the country, effectively and efficiently. For this a special status has to be accorded to nurture the PS Cable Industry. If this is done, the face of the PS Channels will change drastically and professionalism will replace the current brand as 'most un-organized media' in the country.

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