



Telecom Regulatory Authority of India

Consultation Paper

On

Renewal of Multi-System Operators (MSOs) Registration

New Delhi, India

20th July 2022

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Last Date for submission of comments: 10th August 2022

**Last Date for submission of counter comments:
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Comments will be posted on TRAI's website www.traigov.in. For any clarification/information, Mr. Anil Kumar Bhardwaj (B&CS) may be contacted at Telephone. No. +91-11-2323-7922.

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Chapter-I

INTRODUCTION

- 1.1 The Cable TV Industry in India commenced as an unregulated service around late 1980s. The services were driven by the needs of the consumers for alternate entertainment options to Doordarshan (DD). The cable TV sector saw exponential growth with the launch of Star TV and Zee TV in 1992. As more and more local cable operators mushroomed across the country, a need arose for regulating the service, leading to the promulgation of the Cable Television Networks (Regulation) Act, 1995.
- 1.2 The Broadcasting and Cable Services were brought under the regulatory ambit of Telecom Regulatory Authority of India (TRAI/Authority) on 09.01.2004.¹ TRAI is vested with the responsibility of ensuring orderly growth of the broadcasting sector while protecting the interests of the consumers. TRAI has been issuing various regulations, tariff orders, directions, etc. for achieving these objectives. TRAI's regulatory framework has ensured competition, fair play and equity in the sector.
- 1.3 Enabled by timely policy and regulatory interventions by the Government and the Authority, the Indian broadcasting landscape has evolved over the past decades. The television distribution sector presents a vibrant picture with presence of multiple platforms such as cable TV, DTH, HITS, and IPTV. As per industry reports, India has the second largest pay-TV market in the world in terms of subscribers after China, with 197 million TV households growing at 7.5% YoY.² Primarily, the pay TV services are being delivered through Cable TV and Direct to Home (DTH) systems. Other modes of TV

¹ Ministry of Communications and Information Technology vide Notification No. 39 dated 09.01.2004 bearing S.O. No. 44(E)

² https://www.ey.com/en_in/media-entertainment/how-a-billion-screens-can-turn-india-into-an-m-e-powerhouse

broadcasting, viz. Internet Protocol TV (IPTV) and Head-end In the Sky (HITS), at present have small subscriber base in comparison to the Cable TV and the DTH platforms.

- 1.4 The Cable Television Networks (Regulation) Act, 1995³ (hereinafter referred to as CTN Act), formalized the cable TV sector in India. Since then, the Pay TV segment served through the cable networks has seen phenomenal growth in every nook and corner of the country. The launch of more and more satellite TV channels and diversity of content triggered a phenomenal growth in cable TV networks across the country. However, it also resulted in operational challenges for Local Cable Operators (LCOs) as their network could not cater to higher number of television channels. In general, LCOs did not have the sophisticated equipment and/or enough resources to receive broadcast signals from large number of satellites before sending it to their subscribers. In addition, other technology based evolutionary factors, like advent of digital technologies and improvement in transmission technology helped in evolution of a large intermediary, the Multi System Operator (MSO). An MSO receives the signals of different television channels, combines the same and transmits this combined feed to multiple Local Cable Operators. MSOs stand at the middle point in the hierarchy of the cable services sector between the broadcasters on one side and local cable operators on the other. The MSOs established head-ends in metros and major towns to receive TV signals from different TV broadcasters, aggregate and distribute these signals to LCOs, who further transmit it to subscribers through cables. In some instances, MSOs also provide the services directly to their consumers.

³ <https://legislative.gov.in/sites/default/files/A1995-7.pdf>

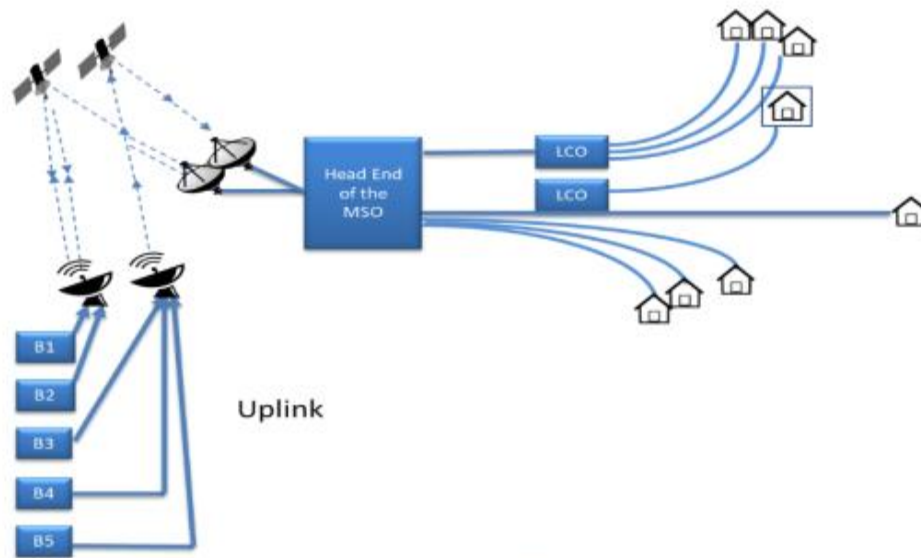


Figure 2: MSO in a Pay Distribution⁴ Chain

- 1.5 Further, the evolution of technology paved way for bringing digitization in the cable TV sector. With the introduction of Digital Addressable system (DAS), Government amended the Cable Television Networks Rules, 1994 (hereinafter referred to as CTN Rules) by issuing Cable Television Networks (Amendment) Rules⁵, 2012 on 28th April 2012. As per the amended rules, an MSO operating in DAS areas is required to take necessary permission from Ministry of Information and Broadcasting (MIB), in addition to registration as a cable operator. Section 4(3) of the Cable Television Networks (Regulation) Act, 1995 states *“On and from the date of issue of notification under section 4A, no new registration in a state, city, town or area notified under that section shall be granted to any cable operator who does not undertake to transmit or re-transmit channels in an encrypted form through a digital addressable system.”*

⁴ Figure depicts MSO as a distributor. Obtaining TV channel signals from the broadcaster and further extending the same to LCOs or the end consumer

⁵ Available at: <https://mib.gov.in/sites/default/files/sda7.pdf>

1.6 CTN Act, 1995 and the CTN Rules thereunder do not restrict the number of MSOs/LCOs operating in any specific area. There are a few large MSOs which operate in multiple states/Union territories, while other MSOs operate either on a regional level or in a smaller area. In the initial stages of digitization, MSO registrations were given for specific city, town, state, or PAN India, in DAS notified areas as mentioned by the applicant MSO. However, vide a circular dated 27th January 2017 (attached as Annexure-I), MIB conveyed that all registered MSOs are free to operate in any part of the country.

Context of Present Consultation:

1.7 As per the existing guidelines Ministry of Information and Broadcasting (MIB) grants registrations to operate as MSO under the Rule 11A-11F of The Cable Television Networks Rules, 1994. The applicant deposits a processing fee of INR One lakh (Rs. 1,00,000/-) online on Bharatkosh portal, and then along with the fee receipt and other requisite documents applies online on Broadcast seva portal⁶ for registration as MSO. Post scrutiny of eligibility and documents, security clearance from Ministry of Home Affairs (MHA) is obtained before grant of the registration. Para 7.1 of MHA guidelines dated 25.06.2018 for assessment of proposals for National Security Clearance states that, *“The validity period of security clearance will be co-terminus with the validity period of license/permission granted by the administrative ministries/departments. In the case of contracts, the security clearance to the bidders will be valid till the contract is valid. As regards renewal of permission/license/registration, the ministry/department concerned, shall forward the proposal in standard proforma at least 90 days in*

⁶ <https://new.broadcastseva.gov.in/digigov-portal-web-app/>

advance to MHA". The security clearance provided by MHA to an entity, or its director(s) has a limited validity of ten years from the date of initial grant of security clearance or period of license/permission, whichever is earlier, as clarified in MHA O.M. dated 25.06.2018. The Ministry, as per convention, grants MSO registration for a period of ten years.

1.8 Ministry of Information and Broadcasting (MIB) vide its letter no. N-45001/6/2020- DAS Dated 7th February 2022 (attached as Annexure-II) has made a reference to TRAI (hereinafter referred to as MIB Reference), seeking its recommendations on referred aspects of the renewal of MSO registrations. In its reference, MIB has stated that the policy guidelines for uplinking/downlinking of channels prescribe ten years as the permission period. The renewal period is also mentioned as ten years. In DTH sector, the Guidelines mention the license validity for a period of twenty years, renewable by ten years at a time. To maintain uniformity with DTH and Broadcasting Sector and considering the validity of security clearance (as mentioned earlier in Para 1.7), MIB has proposed to keep renewal period of MSO registration after every ten years. The processing fee to be charged for such renewal also needs to be decided. Accordingly, MIB in its reference has requested TRAI under Section 11(1)(a)(ii) of the TRAI Act 1997, to give its recommendations on the following aspects of the renewal of MSO registrations:

- (i) *As there is no provision for renewal in the CTN Act, whether a provision relating to renewal of MSO registration after every ten years be inserted in the Rules.*
- (ii) *Rule 11A of CTN Rules, 1994 prescribe processing fee of Rs. One Lakh to be submitted with the application for MSO registration. The amount of processing fee to be charged for such renewal, which shall also be inserted in the Rules, may also be advised.*

1.9 MIB has sought the recommendations of TRAI on specific aspects, as outlined in 1.8 (i) & (ii) above, for extension of the validity period of MSO registration including the amount of processing fee. This Consultation Paper has been prepared to seek the comments/views of the stakeholders on the issues related to renewal of MSO registration. It is also noted that at present there is no provision for renewal in the existing Guidelines for Registration for HITS services. TRAI is of the view that in order to maintain uniformity amongst different distribution platforms, the policy guidelines should have a provision for renewal for HITS services also. Accordingly, TRAI may initiate a separate consultation for renewal of HITS services, either on a reference from MIB regarding this or on suo motu basis, as may be necessary.

For the present consultation, Chapter 2 of this consultation paper discusses extant policy provisions related to MSO registration. The chapter also deals with relevant aspects pertaining to the issues raised in the said MIB reference and brings out the issues for consultation, seeking comments of stakeholders. A summary of the issues for consultation is provided in Chapter 3.

Chapter-II

POLICY FOR MSO REGISTRATION

2.1 In General, Cable TV, along with DTH, is the pre-dominant platform for receiving TV broadcast. In a typical cable television distribution chain, MSO receives programming service from broadcaster and re-transmits the same to the consumer, either directly or through one or more LCOs. Registration of MSOs progressed in consonance with the phase-wise implementation of DAS. The number of registered MSOs has steadily increased from 29 in 2012 to 1451 by 2017. New Regulatory Framework also provided further growth. The framework provides a mechanism of time bound provisioning of signals for television channels for MSOs. Figure 3 shows year-wise number of registered MSOs as per information⁷ on MIB website:

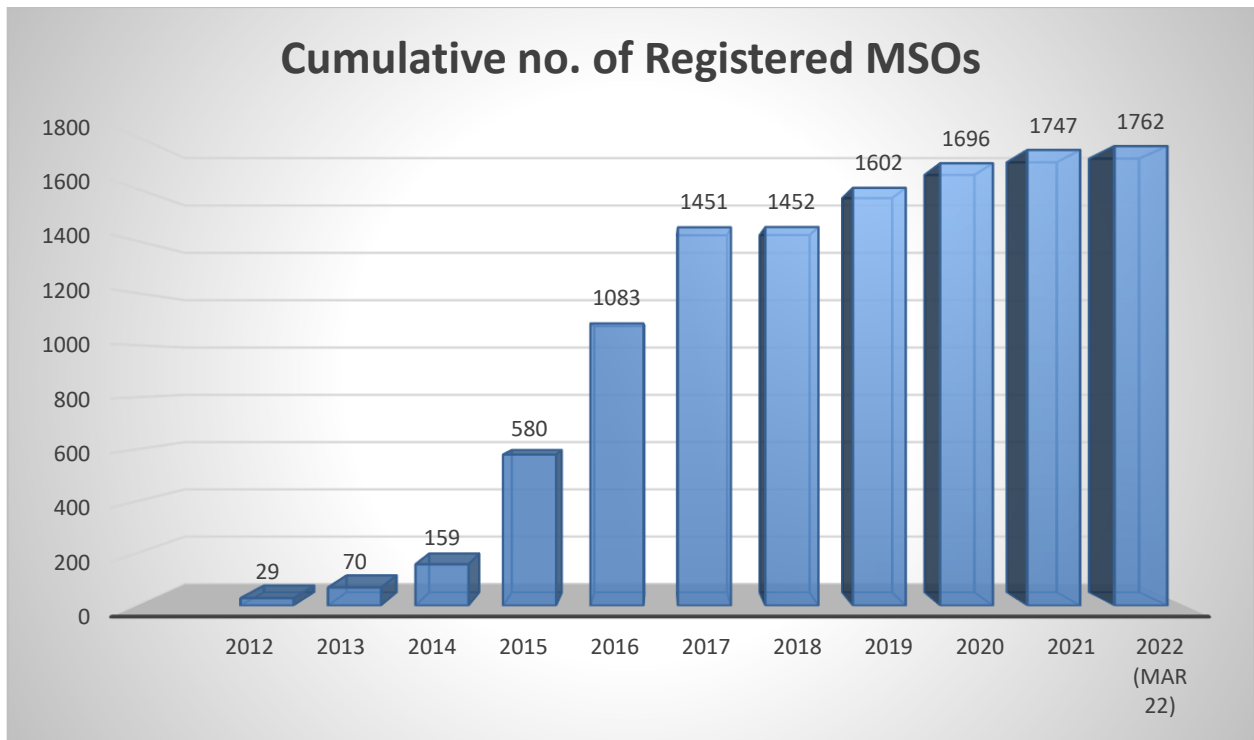


Figure 3: Year-wise Cumulative MSOs registered with MIB

⁷ https://mib.gov.in/sites/default/files/List%20of%20Registered%20MSOs%20as%20on%2031.03.2022_0.pdf

- 22 The Government enacted the Cable Television Networks (Regulation) Ordinance, 1994, on 29th September 1994 that set down rules for registration of cable TV operators and introduced the Programme Code and the Advertising Code⁸. In order to replace the said ordinance by an Act, the Cable Television Networks (Regulation) bill was introduced in Parliament. Subsequently this ordinance was converted into the Cable Television Networks (Regulation) Act 1995 on 25th March 1995, to regulate the operation of cable television networks in the country.
- 23 With the introduction of digital addressable system (DAS), Government has amended the Cable Television Networks Rules, 1994, by issuing the Cable Television Networks (Amendment) Rules, 2012, on 28th April 2012⁹. For any company or individual intending to provide cable television network services with DAS, it is mandatory to register with MIB and take necessary permissions from MIB.

Provisions under Cable Television Networks Rules, 1994 & Cable Television Networks (Regulation), Act, 1995

- 24 Chapter II of the Cable Television Networks (Regulation), Act, 1995 deals with the regulation of Cable Television Network.
- a) Section (3) reads as, *“no person shall operate a cable television network unless he is registered as a cable operator under this Act.”*
 - b) Section 4(2) reads as, *“the cable operator shall fulfill such eligibility criteria and conditions as may be prescribed and different eligibility criteria may be prescribed for different categories of cable operators.”*
 - c) Section 4(4) reads as, *“an application under sub-section (1) shall be made in such form and be accompanied by such documents and fees as may be*

⁸ <https://mib.gov.in/sites/default/files/pac1.pdf>

⁹ <https://mib.gov.in/sites/default/files/sda7.pdf>

prescribed.”

- d) Section 4(5) of the CTN Act, 1995 deals with the renewal of registration of a Cable Operator subject to terms and conditions prescribed under Sections 4(6) of the Act.
- e) Section 4(6) reads as, *“Without prejudice to the compliance of eligibility criteria for registration of cable operators, the Central Government may prescribe, having regard to the interests of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality, foreign relation or contempt of court, defamation or incitement to an offence, such terms and conditions of registration including additional criteria or conditions to be fulfilled by the cable operator.”*

Further, Section 22 of the Act gives power to the Central Government to frame Rules, by notification in the official Gazette, with regard to inter alia the eligibility criteria for “different categories of cable operators” (thereby implicitly including MSOs) under Section 4(2) of the CTN Act and the terms and conditions of registration under Section 4(6) of the Act.

- 2.5 The Central government had made the Cable Television Networks Rules, 1994 (CTN Rules) in exercise of the powers conferred by sub-section (1) of Section 22 of the Cable Television Networks (Regulation) Ordinance, 1994 (Ordinance No.9 of 1994). The CTN Rules, 1994 define ‘Multi-System Operator (MSO)’ under Rule 2 (ee) as *“a cable operator who receives a programming service from a broadcaster and/ or his authorized agencies and re-transmits the same or transmits his own programming service for simultaneous reception either by multiple subscribers directly or through one or more local cable operators (LCOs) and includes his authorized distribution agencies by whatever name called.”* Rule 11A of the CTN Rules deals with the application for registration as a multi-system operator and states-

“(1) For the purpose of operation of cable television network services with digital addressable system in a notified area, a person who desires to provide such service shall make an application for registration as Multi-System Operator to the registering authority in Form 6.

(2) Every application under sub-rule (1) shall be accompanied by –

- *a processing fee of rupees one lakh;*
- *declaration in Form 2.*

The rules do not prescribe any other fee or charges except the processing fee for the MSO. MIB Reference (Annexure-II) reiterates that Rule 11A of CTN Rules, 1994 prescribe processing fee of Rs. One Lakh to be submitted with the application for MSO registration. The CTN Rules do not prescribe any procedure or processing fee for renewal of MSO registration.

2.6 The CTN Rules, 1994, do not have an express provision about renewal of MSO registrations. However, Rule 3 of the said Rules, 1994 deals with the application for registration as a cable television network in India. Rule 3(1) states that, *“every application for registration as a cable television network in India shall be made in writing in Form 1 and shall be renewable after every twelve months”*. Rule 3(3)(a) states that, *“every application for registration or renewal of registration shall be accompanied by – (i) a fee of rupees five hundred only; and (ii) the requisite documents mentioned in Form 1 and Form 2 (attached in the said Rules, 1994)”*. Read with other relevant provisions of the CTN Rules and the CTN Act, these provisions pertain to the renewal of Local Cable Operator (LCO).

2.7 Rule 11 of the Cable Television Networks Rules 1994 (as amended) prescribes that an applicant seeking registration for operating as an MSO can be an individual, an association of individuals or body of individuals, whether

incorporated or not, or a company. The eligibility criteria for an applicant multi-system operator as per Rule 11(B), CTN Rules 1994 are as follows: —

“a) where the applicant is a person, he shall be a citizen of India and not less than eighteen years of age;

b) where the applicant is an association of Individuals or body of individuals, whether incorporated or not, the members of such an association or body shall be citizens of India and not less than eighteen years of age;

c) where the applicant is a company, such company shall be a company registered under the Companies Act, 1956 and shall be subject to such conditions relating to foreign direct investment as may be decided by the Central Government;

d) the applicant shall not be an undischarged insolvent;

e) the applicant shall not be a person of unsound mind as declared by a competent court;

f) the applicant shall not be convicted of any criminal offence”.

28 Rule 11(3) of CTN Rules, 1994 prescribes, *inter alia*, the financial strength of the applicant for grant of MSO registration, without explicitly defining or quantifying it. Further, Ministry has been granting MSO registration to those applicants who have positive net-worth. Previously, vide letter no. 2/31/2016- DAS Dated 16th May 2018, MIB requested TRAI to give its recommendations on the appropriate entry level net worth for the MSOs. In response, the Authority in its Recommendations¹⁰ on Entry Level Net worth requirement of Multi-system Operators in Cable TV services dated 22nd July 2019 had recommended that there is no necessity for fixation of a minimum entry level net worth for MSO registration. As prevalent, any individual,

¹⁰ https://www.trai.gov.in/sites/default/files/Recommendation_MS0_22072019_0.pdf

company, corporate firm, or LLP that fulfils provisions of the CTN Rules, may be granted MSO registration. These recommendations have been accepted by the government.

2.9 Initially, the MSO registration was issued for a specific city or Town or a State or on a pan-India basis as per the request of the applicant. However, vide circular dated 27th Jan 2017 (**Annexure-I**), the Ministry of Information and Broadcasting (MIB) conveyed that all the MSOs with a valid registration are free to operate in any part of the country.

2.10 As per extant provisions, any individual, company, corporate firm, or LLP that fulfils provisions of the CTN Rules, may be granted MSO registration. MIB has developed a new Broadcast Seva portal (Figure 4) for submitting the applications online for MSO registration. The portal provides a single point facility to the stakeholders to request for required permission, registrations, licenses, etc. issued by the Ministry of Information and Broadcasting for broadcast related activities.



Figure 4: Broadcast Seva Portal for submitting applications¹¹

- 2.11 For registration of MSO, the applicant is required to make an application to MIB by logging on to the Broadcast Seva portal. The eligibility criteria, entry requirements, and list of documents are prescribed on the portal. Post scrutiny of eligibility and documents, security clearance from MHA is obtained before grant of the registration. The security clearance provided by MHA to an entity, or its director(s) has a limited validity of ten years from the date of initial grant of security clearance or period of license permission, whichever is earlier, as per MHA O.M. dated 25.06.2018.
- 2.12 As per the extant provision under the CTN Rules, an MSO registration has a validity period of 10 years. There is no provision for an extension or a renewal, implying that at the end of the 10-year period of validity, the registration expires. While the Guidelines may be silent on the provision of an extension or a renewal, it could not possibly be the intent of policy to effectively disallow existing service providers from continuing business beyond the initial registration period of 10 years. Starting a cable television distribution business entails considerable investment of resources. It would, therefore, be a reasonable expectation on the part of MSO licensees that, before the expiry of the initial 10-year registration, they would apply for renewal/ extension of the existing registration so that they could continue their business.
- 2.13 Further, it is important to note that such renewal/ re-registration process has to be a time-bound activity as it needs to be completed before the expiry of existing registration. This is necessary as the existing service providers have large number of consumers. Therefore, any registered MSO should strive to apply for renewal at least few months before the expiry of registration. Furthermore, in case an existing service provider has applied for renewal and the decision of renewal is pending, then in the interest of consumers, the

¹¹ <https://new.broadcastseva.gov.in/digigov-portal-web-app/>

service provisioning may be allowed to continue on provisional basis.

2.14 **Apropos the above, the issues for consultation are:**

- 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.**
- 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.**
- 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?**
- 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?**
- 5. In case an MSO hasn't applied for renewal before the expiry of its registration:**
 - i. 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?**

- ii. **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?**
- iii. **Should there be an additional fee for such applications that are received after the expiry of registration period?**

Guidelines for Renewal of Registration for television service providers other than MSO

2.15 For deliberating on the issue of the period of existing MSO registration and its renewal, it would be prudent to review the relevant provisions, on the subject, that have been made in other distribution platforms of the broadcasting sector. It may be appropriate to mention here that as per the guidelines for Provisioning of Internet Protocol Television (IPTV) Services issued by Ministry of Information & Broadcasting vide its letter No. 16/03/2006-BP&L. Vol. III dated 08.09.2008, all telecom licensees/Cable Operators before providing IPTV will give a self-certified declaration to I&B, DoT and TRAI giving details such as license/registration under which IPTV service is proposed. No separate registration is required for provisioning of IPTV services as per extant guidelines. However, the relevant provision in vogue for renewal of the registration for other distribution platform operators, along with the renewal policy for the LCOs is discussed below:

(A). Guidelines for LCO Registration¹²

2.16 Any applicant who is desirous of providing cable television network services

¹²<https://new.broadcastseva.gov.in/digigov-portal-web-app/>

as a local cable operator with digital addressable system needs to apply for registration from the registering authority as per the procedure detailed below:

- a. *Application for registration as local cable operator shall be made in writing in Form 1 as prescribed in the Cable Television Networks Rules 1994.*
- b. *The application shall be addressed to the registering authority i.e., the Head Post Master of a Head Post Office of the area within whose territorial jurisdiction the office of the cable operator is situated, and delivered in his office in Form 1.*
- c. *The application for registration or renewal of registration shall be accompanied by*
 - o *a fee of Rs. five hundred only; and*
 - o *the requisite documents mentioned in Form 1 and an undertaking as in Form 2 prescribed in the Cable Television Networks Rules 1994.*
- d. *The application for issue of duplicate certificate of registration shall be accompanied by*
 - o *a fee of Rs. two hundred and fifty only; and*
 - o *the requisite documents mentioned in Form 1 prescribed in the Cable Television Networks Rules 1994.*
- e. *The amount of fee shall be deposited in the Head Post Office where the application for registration or renewal of registration or issue of duplicate certificate of registration is being made.*
- f. *LCO registration may be renewed after every twelve months*
- g. *The applicant could be individual, association or body of individuals, or a company registered under the Companies Act.*

2.17 Renewal terms and process for the LCOs have been kept identical to the initial registration, in terms of eligibility, validity period and fee.

(B). Direct-To-Home (DTH) Registration

2.18 The Government had issued “Guidelines for Obtaining License for Providing Direct-to-Home (DTH) Broadcasting Services in India” on 15th March 2001¹³ which marked the beginning of DTH services in India.

Period of license for DTH services:

2.19 The period of license for DTH services previously was 10 years from the date of issue of wireless operational license by Wireless planning and Coordination Wing of Ministry of Communications. MIB has subsequently issued amendments¹⁴ to the guidelines for obtaining licenses for providing DTH services in India on 30th December 2020. The license period for DTH operations has been increased from the existing period of 10 years to 20 years from the date of issue of wireless operational license (WOL) by WPC and renewal by 10 years at a time. While the amendments specify the annual license fee along with other applicable fee payable by the DTH operators, no separate fee for renewal of DTH license has been prescribed in the said amendments to the policy guidelines for DTH broadcasting services.

(C) Headend-in-the Sky (HITS) Registration

2.20 “Guidelines for Providing Headend-in-the-Sky (HITS) Broadcasting Service in India” were issued by MIB on 26th November 2009¹⁵. The amendment to the guidelines were later issued by MIB on 6th November 2020¹⁶ through which MIB has also permitted sharing of infrastructure by HITS operators. The process for obtaining permission is similar to that of DTH services.

¹³ <https://mib.gov.in/sites/default/files/GuidelinesforDTHServiceDated15.3.2001.pdf>

¹⁴ <https://mib.gov.in/broadcasting/direct-homedth>

¹⁵ <https://mib.gov.in/sites/default/files/headend.pdf>

¹⁶ <https://mib.gov.in/sites/default/files/Amendment%20in%20HITS%20guidelines%20.pdf>

Period of Permission for HITS services:

- 2.21 Permission for providing HITS service will be valid for a period of 10 years from the date of issue of wireless operational license (WOL) by Wireless planning and Coordination Wing of Ministry of Communications and Information Technology.
- 2.22 While the mechanism for obtaining permission as prescribed in the Guidelines for Providing HITS Broadcasting Service in India is similar to that of DTH services, these guidelines do not include an express provision for extension/renewal of permission period for HITS services unlike the case of DTH services (which is renewable by 10 years at a time).
- 2.23 As stated earlier, TRAI has taken note of the fact that at present there is no provision for renewal in the existing Guidelines for Registration for HITS services. Therefore, there is a need to make appropriate provisions for extension of license/permission period for HITS platform as well, for the sake of uniformity across all distribution platforms as far as provision for renewal of registration/permission/ license is concerned. The MIB Reference has sought the recommendations of TRAI on specific aspects, as outlined under para 1.8 (i) & (ii) in the previous chapter, for extension of the validity period of MSO registration including the amount of processing fee. Hence, TRAI is of the view that the issue of renewal provisions for HITS services need to be taken up in a separate consultation paper, either on a reference from MIB regarding this or on suo motu basis, as expedient in the matter.

Regulatory Provisions

- 2.24 To enable the Indian broadcasting sector to realize the gains of digitization, TRAI, after due consultation process, published a comprehensive regulatory framework for DAS on 03.03.2017. This framework comprised of the Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) Regulations, 2017, the Telecommunication

(Broadcasting and Cable) Services Standards of Quality of Service and Consumer Protection (Addressable Systems) Regulations, 2017 and the Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff Order, 2017 for providing broadcasting services. This framework was notified in March 2017. However, it came into effect from 29.12.2018 after satisfying legal pronouncements. The regulatory framework, by its design, has brought transparency, non-discrimination and level playing field among various players across the value chain. All Distribution platform Operators (DTH/MSO/HITS/IPTV) are required to ensure the compliance to these regulations and extant regulatory framework in general.

2.25 The New Regulatory framework, together with the Cable Television Networks (Regulation) Act, 1995/ Cable Television Networks Rules, 1994 paved the way for evolution of the cable television services from an unregulated, unstructured sector to a structured, technology driven, vibrant sector. The regulatory framework has nudged the sector towards a new structure, wherein all the stakeholders, from content provider to distributor to end consumer, operate in a transparent, trust-based ecosystem. On the other hand, the CTN Act/ CTN Rules have been continuously evolving to provide a simple registration process for the MSOs and LCOs and to enable a business opportunity for the entrepreneurs without any deterrent entry barriers to speak of.

2.26 As mentioned earlier, there are 1762 MSOs who have been provided MSO registration by MIB up to March 2022. Further, as per inputs from leading broadcasters, nearly 900 MSOs have active agreements with pay TV broadcasters. However, there is a significant gap in reporting of compliance by these MSOs despite continuous monitoring efforts by TRAI. For instance, only 363 MSOs had undergone the mandatory audit in 2021, citing miscellaneous reasons including Covid situation. It is understood that similar shortfalls are also being observed by the ministry regarding compliance of the

terms and conditions of the MSO registration granted by MIB. Few smaller & medium MSOs have either merged their operation or formed joint venture (JV) with bigger MSOs having subscriber base more than one lakh. However, the acquired MSOs have not reported the new status to TRAI or MIB. Apart from this, many of MSOs who have been issued MSO registration by MIB after 2017, are yet to comply with the provisions of the CTN Act/Rules including the extant regulatory framework. MIB has also issued an advisory dated 21.02.2022¹⁷ for regular updating of the subscriber base data on the Management Information System (MIS) of the Ministry.

2.27 Pursuant to the said situation, it may be prudent for the licensing authority to be satisfied with the compliance of the MSOs with the terms and conditions of their registration and the extant regulatory framework, prior to permitting the extension of their services. In the interest of promoting ease of doing business, a hassle-free approach may be adopted for such verification of compliances of MSOs at the time of application for renewal of MSO registration. It may be reasonable to include a provision in the CTN Act/Rules for the MSOs to report their status of compliance with the extant regulatory framework to TRAI or MIB, before they may be granted renewal of registration. For the compliance monitoring purpose, TRAI has identified key regulatory provisions, the list of which is enclosed as **Annexure III**. The stakeholders may examine the list and provide their suggestions along with any modifications proposed in the list of compliances to be considered mandatory, prior to the grant of renewal of MSO registration. Further, it may be appropriate to highlight the list of documents that may be necessary to be submitted at the time of application for renewal of MSO registration to the licensing authority for such verification of compliances. TRAI welcomes suggestions for such list of documents which may include, but may not be limited to, self-certification by the MSOs regarding their status of compliance,

¹⁷ <https://mib.gov.in/sites/default/files/Advisory%20for%20MIS.pdf>

any NOC provided by TRAI/MIB/licensing authority, audit reports etc. as the case may be, as long as it is in tandem with ease of doing business in the television distribution network.

2.28 For continuity and long-term planning of the business, renewal of license/registration would be a basic requirement/expectation of the licensee. Further, the period of renewal should neither be too long nor too short. In view of this, it may be appropriate to incorporate, in the CTN Act/ CTN Rules, a provision that indicates the period of extension/renewal, relevant processing fee, as may be applicable, and the procedure to be followed in future for the extension/renewal of the MSO registration on their expiry. The licensor should have the flexibility to modify the terms and conditions for extension/renewal of the registration.

2.29 **Apropos the above, the issues for consultation are:**

1. 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.

- 2. Should there be any additional terms and conditions for renewal of the permission for MSO registration? Please elaborate.**
- 3. Stakeholders may also provide their comments on any other issue relevant to the present consultation.**

Chapter-III

ISSUES FOR CONSULTATION

Stakeholders are requested to provide their comments on the following issues:

- 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.**
- 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.**
- 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?**
- 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?**
- 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?

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?

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

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.

- 3.7 Should there be any additional terms and conditions for renewal of the permission for MSO registration? Please elaborate.**
- 3.8 Stakeholders may also provide their comments on any other issue relevant to the present consultation.**

ANNEXURE-I

No. 2/108/2015-DAS
Government of India
Ministry of Information and Broadcasting
A-Wing, Shastri Bhawan, New Delhi

Dated the 27th January, 2017

C I R C U L A R

This is regarding grant of registration to Multi System Operators (MSOs) for operation in Digital Addressable System (DAS) notified areas. Ministry of Information and Broadcasting had been granting MSO registration for specific DAS notified areas viz. City, Town, State, or on PAN India basis etc as requested by the applicant MSOs.

2 Now, it has been decided that the all registered MSOs are free to operate in any parts of the country, irrespective of registration for specified DAS notified area(s) granted by the Ministry of I&B.

3 If any registered MSO has operationalized the service in any DAS notified area(s), in any part of the country, it would be treated as having been implemented the service on his part irrespective of the number of the Set Top Boxes (STBs) installed by him. However, the registered MSO has to submit the details of Headend, SMS, Subscribers list and a self-certificate that he is carrying all the mandatory TV Channels, within six months from date of issuance of MSO registration, to the Ministry of Information & Broadcasting, failing which the MSO registration is liable to cancelled/suspended.

4 All other terms and conditions of the registration shall remain unchanged.

5 This issues with the approval of Secretary (I&B).


(Anil Kumar)

Under Secretary to the Government of India
Tele: 23387774

To

All MSOs

Copy to:

1. All Chief Secretaries of States/UTS
2. All DMs/IGs/Commissioner of Police
3. DG, Doordarshan, Mandi House, New Delhi.
4. IBF/NBA/ARTBI
5. Telecom Regulatory Authority of India.

ANNEXURE-II

N-45001/6/2020-DAS
Government of India
Ministry of Information and Broadcasting
Shastri Bhawan, New Delhi-110001

Dated 07/02/2022

To

Shri V. Raghunandan
Secretary
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan,
New Delhi

Subject: MSO Renewal procedure - regarding

Sir,

I am directed to say that this Ministry grants registrations to operate as Multi-system Operators (MSO) under the Rule 11A-11F of The Cable Television Rules, 1994. The applicant deposits a processing fee of Rs. One lakh online on Bharatkosh portal, and then along with the fee receipt and other requisite documents applies online on Broadcastseva portal for MSO registration. Post scrutiny of eligibility and documents, security clearance from MHA is obtained before grant of the registration. The registration, as per convention, is granted for a period of ten years. However, it is also informed that the security clearance provided by MHA to an entity or its director(s) has a limited validity of ten years from the date of initial grant of security clearance or period of licence / permission, whichever is earlier, as clarified in MHA O.M. dated 25/06/2018 (copy enclosed).

2. Section 4(5) of the CTN Act, 1995 deals with the renewal of registration of a Cable Operator subject to terms and conditions prescribed under Sections 4(6) of the Act. Further, Section 22 of the Act gives power to the Central Government to frame Rules, by notification in the official Gazette, with regard to Section 4(6) of the Act. The Central government has made the Cable Television Networks Rules, 1994 in exercise of the powers so conferred.

3. The Cable Television Networks Rules, 1994, however, do not mention provision about renewal of MSO registrations. In the absence of such provision in the Rules it is proposed to insert a provision relating to the same.

4. Policy guidelines for uplinking / downlinking of channels prescribe ten years as the permission period. The renewal period is also mentioned as ten years. In DTH sector, the Guidelines mention the license validity for a period of twenty years, renewable by ten years at a time. A copy of each guideline is enclosed for reference. In order to maintain uniformity with DTH and Broadcasting Sector, and also considering the validity of

security clearance, it is proposed to keep renewal period of MSO registration after every ten years. The processing fee to be charged for such renewal also needs to be decided.

5. Accordingly, TRAI is requested under Section 11(1)(a)(ii) of the TRAI Act 1997, to give its recommendations on the following aspects of the renewal of MSO registrations :

- a) As there is no provision for renewal in the CTN Act, whether a provision relating to renewal of MSO registration after every ten years be inserted in the Rules ?
- b) Rule 11A of the CTN Rules, 1994 prescribe processing fee of Rs. One Lakh to be submitted with the application for MSO registration. The amount of processing fee to be charged for such renewal, which shall also be inserted in the Rules, may also be advised.

6. The first of new registrations granted during the implementation of Digital Addressable System in Cable TV sector i.e. in the June, 2012, shall become due for renewal / extension in June 2022. As such, it is requested to forward it recommendations at the earliest.

7. This issues with the approval of the Competent Authority

Yours faithfully,



(Subhash Kumar)

Deputy Secretary to the Govt. of India

ANNEXURE-III

REGULATORY COMPLIANCES TO BE SUBMITTED BY MSOs

Sl. No	Regulation / Order	Compliance Required	Remarks
1	Regulation 4(4) of the Interconnection Regulations, 2017	Declaration of State-wise Target Market.	Headend wise details to be displayed on its website by Multi-System Operators (MSOs)
2		Total channel carrying capacity of distribution network in terms of SD channels	
3		List of channels available on the network	
4		No. of channels for which signals of television channels requested from broadcaster and agreement signed	
5		Spare channel capacity available in network	
6		List of channels, in chronological order, for which requests have been received from the broadcasters for distribution	
7	Regulation 8 of the Interconnection Regulations, 2017	Publication of Reference Interconnection Offer (RIO) by Distributor of television channels	Reference Interconnection Offer (RIO) to be made available on the website and also to be filed in B&CS

			Integrated Portal (BIPS)
8	Regulation 10 of the Interconnection Regulations, 2017	Interconnection Agreements between Broadcasters and Distributor of television channels	To provide Broadcaster wise number of agreements details
9	Regulation 12 of the Interconnection Regulations, 2017	Interconnection Agreements between Distributor of television channels and Local cable operator	Total No. of linked LCOs including no. of Agreements entered with LCOs based on Model Interconnection Agreement (MIA)/ Standard Interconnection Agreement (SIA)
10	Regulation 15 of the Interconnection Regulations, 2017	Cause Audit of CAS/SMS and other related system by an auditor	Mandatory for Distribution Platform Operators (DPOs) to carry DAS Audit once in a Calendar year
11	Regulation 20 of the Interconnection Regulations, 2017	Compliance Officer details along with authenticated copy of board resolution authorising the designation of such compliance officer	To provide Name, Complete Address, contact number and Email address of Compliance officer once and after every change, if any
12	Clause 7 of the Tariff Order, 2017	Declaration of Network Capacity Fee (NCF) and manner of offering of channels by distributors of television channels (<i>to be reported to TRAI and made available on website</i>)	To declare on the website (a) Region-wise NCF, per month for up to 200 channels (excluding mandatory DD channels)

			(b) Region-wise NCF for more than 200 Channels (c) Region-wise NCF, per month, for each additional TV connection beyond first TV connection in a multi-TV home
13		List of channels with name, nature & language <i>(to be reported to TRAI and made available on website)</i>	List of Free to Air (FTA) channels list and list of Pay Channels declared with Maximum Retail Price (MRP) / Distributor Retail Price (DRP)
14		List of all Bouquets of pay channels formed by broadcasters and distributor of television channels which are available on DPO platform <i>(to be reported to TRAI and made available on website)</i>	List of Broadcaster Bouquets declared with MRP/DRP and List of DPO Bouquets declared with DRP
15	Regulation 3(5) of the QoS Regulations	Devising of Consumer Application form (CAF) containing the information as provided in Schedule-I of the regulation <i>[either in electronic form or print form]</i>	Copy of CAF to be made available on website and also provided through LCOs to the subscribers
16	Regulation 24 (3) of the QoS Regulations, 2017	To offer Consumer Premises Equipment (CPE) or Set Top Box (STB) to every consumer under following schemes: - (i) Outright purchase scheme or	Details of CPE also be made available on the website by DPOs

		(ii) Rental scheme	
17	Regulation 25 of the QoS Regulations	Customer Care Centre (i) Toll Free Number (ii) Details of Nodal officers (state-wise)	To provided Web based complaint management system
18	Regulation 31 of the QoS Regulations	Establish and maintain website for purpose of publicity of information related to broadcasting services	To provide (a) Hyperlink for Consumer corner on the home page, containing information in accordance with Schedule-II of these regulations. (b) Hyperlink for Subscriber Corner having provision for login to subscribers to access information in accordance with Schedule-III of these regulations

List of Acronyms

Abbreviations	Description
BS	Broadcast Seva
CTN Act	Cable Television Networks (Regulation) Act, 1995
CTN Rules	Cable Television Networks Rules, 1994
DAS	Digital Addressable System
DTH	Direct-to-Home Systems
GOPA	Grant of Permission Agreement
HITS	Head-End in The Sky
IPTV	Internet Protocol TV
LCO	Local Cable Operator
MIB / I&B	Ministry of Information and Broadcasting
MSO	Multi System Operator
MHA	Ministry of Home Affairs
PBG	Performance Bank Guarantee
SMS	Subscriber Management System
SACFA	Standing Advisory Committee on Radio Frequency

	Allocation
INR	Indian Rupee
SP	Service Provider
WPC	Wireless Planning and Coordination
TRAI	Telecom Regulatory Authority of India
NCF	Network Capacity Fee
MIA	Model Interconnection Agreement
SIA	Standard Interconnection Agreement
CPE	Customer Premises Equipment
MRP	Maximum Retail Price
DRP	Distributor Retail Price
FTA	Free To Air
STB	Set To Box
RIO	Reference Interconnection Offer