

**CONSULTATION PAPER ON “THE TELECOMMUNICATION (BROADCASTING AND CABLE) SERVICES
DIGITAL ADDRESSABLE SYSTEMS AUDIT MANUAL” ISSUED BY THE TELECOM REGULATORY
AUTHORITY OF INDIA DATED MARCH 29, 2019**

**TO
THE TELECOM REGULATORY AUTHORITY OF INDIA**

**FOR AND ON BEHALF OF
SONY PICTURES NETWORKS INDIA PVT. LTD.**



Dated: April 26, 2019

Pursuant to the ruling of the Supreme Court dated October 30, 2018 in Civil Appeal No. 7326 and 7327 of 2018 in the matter between Star India Pvt. Ltd. vs. Department of Industrial Policy and Promotion & Ors., the Telecom Regulatory Authority of India (TRAI) had notified the Telecommunications (Broadcasting & Cable) Services Interconnection (Addressable Systems) Regulations, 2017 (“**Regulations**”), The Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff Order, 2017 and the Telecommunication (Broadcasting and Cable) Services Standards of Quality of Service and Consumer Protection (Addressable Systems) Regulations, 2017 (collectively “**MRP Regime**”). The New MRP Regime was to be implemented in terms of the timelines prescribed by TRAI vide its Press Release No 71/ 2018 dated 3rd July, 2018 however, an extension vide direction bearing no. F.No.21-4/2018-B&Cs dated December 27, 2018 (“**Direction**”) was granted by TRAI. In terms of the Direction, the MRP Regime has been implemented effective January 31, 2019.

The distribution industry has witnessed a paradigm shift from the previous ‘fixed fee’ regime to the ‘MRP’ model. In the present MRP Regime, since broadcasters’ business are dependant directly on the subscriber numbers of the operators, audit becomes a critical aspect to ensure that broadcasters are able to receive their legal dues in consideration of having provided signals of their channels to the operators. This makes it imperative to have a uniform audit manual in place to ensure that transparent methodologies are deployed to arrive at accurate outcome pursuant to audit.

We thank the TRAI for initiating consultation by way of issuing the Consultation Paper on The Telecommunication (Broadcasting and Cable) Services Digital Addressable Systems Audit Manual (“**Consultation Paper**”).

I. ISSUES

Scope of audit

Query 1:

Whether it should be mandatory for every DPO to notify the broadcasters (whose channels are being carried by the DPO) for every change made in the addressable system (CAS, SMS and other related systems)?

Response 1:

Yes, it should be made mandatory for every DPO to notify the broadcasters for every change made in the addressable system (CAS, SMS and other related systems). The following has already been prescribed in Schedule III of the Regulations”.

“The distributor of television channels shall declare the details of the CAS and the SMS deployed for distribution of channels. In case of deployment of any additional CAS/SMS, the same should be notified to the broadcasters by the distributor.”

Since CAS, SMS and other related systems are important components of the addressable systems and also they directly impact the revenues of all the stake holders in the chain, the DPOs should mandatorily inform the broadcasters of the changes that would have been made in the addressable systems within 7 days in writing. This would further tighten the provision already provided under the Regulations and will also keep a check on the changes made by the

DPOs. It is also suggested that the frequency of such changes that a DPO can carry out in a year should also be determined by TRAI.

Further, it is critical that not only the hardware changes, but also the software changes made if any, is notified to the broadcasters. Care should be taken while replacing the existing data servers (CAS/ SMS) to protect the historical data of the old addressable system. Replacement cannot be excuse for the data loss. As per the Regulations, last 24 months' data along with all logs to be preserved.

Query 2:

Whether the Laptop is to be necessarily provided by the Auditee DPO or the Audit Agency may also provide the Laptop? Please provide reasons for your comment.

Response 2:

We believe the Audit Agency should be given free hand in deployment of processes/analysis and should have the ability to use their own Laptop with all the software for the purpose. Empanelled Auditor is bound by the Regulations and we believe under their terms of empanelment, TRAI would ensure that the audit process is accurately conducted. Any mischief regarding the data handling can entail severe consequences including termination of their engagement.

After completion of the audit, the DPO in any case, can check and retain the personal data (specific to DPO) and allow the auditor to have the data which is required for analysis and to prepare the detailed audit report.

Query 3:

Whether the Configuration of Laptop vide Annexure 1 is suitable? If not, please provide alternate configuration with reasons thereof.

Response 3:

The Laptop configuration detailed in the Annexure 1 fulfills the requirement for the audit exercise.

Query 4:

Do you agree with the provisions regarding seeking of TS recording and ground sample information from IBF/ NBA for verification/ checking by the Auditor?

Response 4:

Yes, we agree and recommend the provisions regarding seeking of TS Recordings and ground sample information from IBF/ NBA for verification/ checking by the Auditor. This is on account of the following reasons:

- Content security and correct declaration is of utmost priority for broadcasters. To ensure the same, TS recordings and field sample information plays an important role.
- We agree that, DPO should inform IBF and NBA the date on which the audit will be conducted at least 10 days in advance. This will ensure that the required TS recordings and

field samples can be arranged from the concerned operator and the same can be handed over to the Auditor

We also recommend that screen shots and the field sample information should be part of the final audit report.

Query 5:

Do you agree that Data Dump may be cross-checked with weekly data of sample weeks basis? If yes, do you agree with checking of random 20 % sample weeks? Please support your comments with justification and statistical information.

Response 5:

No, we are of the opinion that the data dump should be cross checked with 100% data derived from the system for all the weeks of the review period. For active/de-active STB and VC details with city/ state from both CAS/SMS should be extracted not as month-end data, but it should be for 7th, 14th, 21st and 28th of all the audit purview months consistent with the Regulations. Further, channels should package mapping along with service ID (with creation, modification and discontinue date) from SMS and CAS. This feature is the most critical since it gives the auditor the logs of all the channel creations, modifications done during the period of review.

Declaration from the DPOs on lack of system capability is not acceptable. Raw data or data dumps should be extracted from both the systems (CAS/SMS) for entire review period and it should also give the flexibility to check on given dates (7th, 14th, 21st and 28th of the month).

Also, auditors should have the ability to cross check the extracted data from both the systems - CAS/ SMS for entire review period and it shouldn't be restricted to 20%.

Query 6:

Do you agree with the proposed Data extraction methodology? If not, suggest alternates with reasoning thereof.

Response 6:

Broadly we agree with the methodology. However, following aspects need to be reviewed:

- Data logs extractions should take place in the presence of the auditor;
- Data logs for the audit period should be extracted from the server and there should not be option of re-creation of logs using tools;
- As mentioned in the Response 5, extraction can't be month end active, de-active STB/ VC, instead it should be taken on a weekly basis (7/14/21/28);
- Channel to package mapping with service ID should have modification, creation and discontinuation date, time stamps. This feature is non-negotiable and it cannot be replaced with the letter from the DPO.

Query 7:

Do you agree with verification and reporting of City-wise, State-wise and Head-end wise subscription report? Please provide supporting reasons/ information for your comment.

Response 7:

Yes, we agree with verification and reporting of city-wise, state-wise and head-end wise subscription report. This is on account of the following reasons:

- It gives clarity and transparency in the system;
- It is handy in analyzing the channel-wise penetration;
- Marketing becomes more focused;
- It ensures win-win situation for both the stake-holders;
- It helps in incentive schemes which broadcasters come up with from time to time;
- Over and above all of the above, it would enhance the trust factor amongst the players;

Query 8:

Do you agree with the tests and procedure provided for checking covert and overt fingerprinting? Provide your comments with reasons thereof?

Response 8:

It is a known factor that piracy is a major menace in broadcasting/distribution field and to tackle it, all available tools should be implemented into the system. One such tool is covert FP. There are many types of covert FPs available depending upon the make of CAS. Some are not visible to bare eyes and can be accessed through recordings. Other types are representation of VC numbers in Hexa decimal formats blinking for shorter period of time (may be for fraction of sec).

The test and procedure laid down for checking covert and overt FP gives the broadcaster additional power to detect piracy and stop the same.

Further, the tests and procedures provided for checking overt and covert are in line with what is expected.

We are of the opinion that any piracy can result in losses for both broadcasters and the DPOs, so working towards eliminating such activities should be undertaken collectively.

Query 9:

Any other suggestion/ comments on the provisions of the Audit Manual.

Response 9:

The Audit Report format needs to be re-looked. We have attached herewith our suggestions on the Audit Report format.

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