



# SUN TV NETWORK LIMITED

Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai - 600 028, India.  
Tel : +91-44-4467 6767 Fax : +91-44-4067 6161 Email: [tinfo@sunnetwork.in](mailto:tinfo@sunnetwork.in)  
Website: [www.suntv.in](http://www.suntv.in) CIN.: L22110TN1985PLC012491

November 15, 2016

VIA SPEED POST A. D.

Mr. S.K. Gupta / Mr. S.K. Singhal / Prof. M. Kasim,  
Principal Advisor (B&CS) / Advisor (B&CS) / Advisor (B&CS) III,  
The Telecom Regulatory Authority of India,  
Mahanagar Doorsanchar Bhawan,  
Jawaharlal Nehru Marg,  
New Delhi – 110 002

E-mail: [pradvbcs@traai.gov.in](mailto:pradvbcs@traai.gov.in); [vk.agarwal@traai.gov.in](mailto:vk.agarwal@traai.gov.in); [sksinghal@traai.gov.in](mailto:sksinghal@traai.gov.in);  
[gs.kesarwani@traai.gov.in](mailto:gs.kesarwani@traai.gov.in); [mkasim@traai.gov.in](mailto:mkasim@traai.gov.in); [ks.rejimon@nic.in](mailto:ks.rejimon@nic.in)

**Re: Consultation on (i) draft Telecommunication (Broadcasting and Cable Service) (Eighth) (Addressable Systems) Tariff Order, 2016, (ii) draft Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016, and (iii) draft Standards of Quality of Service and Consumer Protection (Digital Addressable Systems) Regulations, 2016**

Dear Sir,

This has reference to (i) draft Telecommunication (Broadcasting and Cable Service) (Eighth) (Addressable Systems) Tariff Order, 2016 released by the TRAI on October 10, 2016 (“**Draft Tariff Order**”), (ii) draft Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016 released by the TRAI on October 14, 2016 (“**Draft Interconnection Regulation**”), and (iii) draft Standards of Quality of Service and Consumer Protection (Digital Addressable Systems) Regulations, 2016 released by the TRAI on October 10, 2016 (“**Draft QoS Order**”) (collectively hereinafter referred to as “**Drafts**”).

At the outset, it is submitted that considering the TRAI itself took enough time to issue the Consultation Papers and few additional months to issue the Drafts, the TRAI could have granted more than just one (1) month to the stakeholders to study, analyze and provide comments the Drafts. The TRAI’s such urgency appeared to be unjustifiable as the Drafts were anyways not likely to be implemented before April 1, 2017.

In view thereof, we enclose here our preliminary written comments to the Drafts with the liberty to provide detailed written comments and without prejudice to our ongoing and future rights and contentions.

Yours sincerely,  
For Sun TV Network Ltd.



Authorized Signatory  
Encl: As above



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## Comments of SUN TV Network Ltd. on (i) draft Telecommunication (Broadcasting and Cable Service) (Eighth) (Addressable Systems) Tariff Order, 2016, (ii) draft Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016, and (iii) draft Standards of Quality of Service and Consumer Protection (Digital Addressable Systems) Regulations, 2016

### Introduction

Sun TV Network Ltd. (“Sun TV”) welcomes the initiative taken by the Telecom Authority of India (“TRAI”) in releasing (i) draft Telecommunication (Broadcasting and Cable Service) (Eighth) (Addressable Systems) Tariff Order, 2016 on October 10, 2016 (“**Draft Tariff Order**”), (ii) draft Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016 on October 14, 2016 (“**Draft Interconnection Regulation**”), and (iii) draft Standards of Quality of Service and Consumer Protection (Digital Addressable Systems) Regulations, 2016 on October 10, 2016 (“**Draft QoS Order**”), and seeking comments of the stakeholders on Draft Tariff Order, Draft Interconnection Regulation and Draft QoS Order.

### DRAFT TARIFF ORDER

#### Background

- A. In 2004, the TRAI had issued the Telecommunication (Broadcasting and Cable) Services (Second) Tariff Order 2004 (6 of 2004) dated October 1, 2004 imposing a ceiling on the tariffs payable by Cable Subscribers to Cable Operators, Cable Operators to Multi System Operators/Broadcasters, Multi System Operators to Broadcasters (“**Principal Tariff Order**”). On October 1, 2004, the TRAI also sent its recommendations on Issues relating to Broadcasting and Distribution of TV channels to the Government of India in which it, *inter alia*, recommended periodically inflation-linked adjustments to the ceilings prescribed by the Principal Tariff Order.
- B. It is in continuance with this ongoing practice and adopting the same methodology, vide the Telecommunication (Broadcasting and Cable Service) (Second) Tariff (Eleventh Amendment) Order, 2014 dated March 31, 2014 (“**Eleventh Amendment**”) and the Telecommunication (Broadcasting and Cable Service) (Second) Tariff (Thirteenth Amendment) Order, 2014 dated December 31, 2014 (“**Thirteenth Amendment**”), the TRAI permitted 27.5% inflation related hike in the tariff in two installments.
- C. The Eleventh Amendment and the Thirteenth Amendment were, however, found untenable and set aside by the Hon’ble TDSAT on April 28, 2015 with the following observations:





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**“Before we conclude, we think that TRAI will be well advised to have a fresh look at the various tariff orders in a holistic manner and come out with a comprehensive tariff order in supersession of all the earlier tariff orders. While doing so, it may consider all the agreements and relevant data available with it. It may consider differentiating between content which is of a monopolistic nature as against that the like of which is shown by other channels also. It may also consider classifying the content into premium and basic tiers. It may identify the major cost components so that increase or decrease in such costs may be suitably factored while working out the inflationary hikes. Increase in costs of such components as may be available in indexes such as WPI, GDP deflator etc. can then be applied. While working out the tariffs, the effort should be to encourage a correct declaration of SLR. While carrying out the exercise, it may take the inputs from various stakeholders and give a reasoned order for accepting or rejecting the same. We want to be amply clear that the above are only some suggestions and TRAI being an expert body may arrive at suitable tariffs independently; it is up to it to consider the above and/or any other factors.”**

- D. In an appeal filed in the Hon’ble Supreme Court against such TDSAT order, the Hon’ble Supreme Court, vide its order dated August 4, 2015, upheld the order of the Hon’ble TDSAT and directed the TRAI to reconsider the tariff order in light of the observations made in the order of the Hon’ble TDSAT and pass a new tariff order (“**SC Order**”). The relevant portion of the Hon’ble Supreme Court’s order is extracted below:

**“Needless to say that the Telecom Authority of India shall reconsider the mater, in light of the observations made in the order and pass a fresh order.”**

- E. On January 29, 2016, the TRAI issued a Consultation Paper on Tariff Issues related to TV Services (“**Tariff Consultation Paper**”). The issues for consultation were broadly discussed under the following heads:

(a) Tariff Models

- (i) Models at Wholesale Level
- Price Forbearance Model
  - Cost Based Model
  - RIO Based Models
    - Universal RIO Model
    - Flexible RIO Model
    - Regulated RIO Model





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- (ii) Models at Retail Levels
  - Price Forbearance Model
  - Exclusive A-la-carte Model
- (iii) Integrated Models
  - Conventional MRP Model
  - Flexible MRP Model
  - Distribution Network Model
- (iv) Channel Pricing Framework
- (v) Channel Pricing Methodologies
- (vi) Introduction to Niche Channels
  - Tariff orders pertaining to Niche Channels
  - Criteria for defining Niche Channels
- (vii) Pricing of High Definition (HD) Channels
- (viii) Manner of Offering
- (ix) Ease of Channel or Bouquet Subscription

(b) Other issues related to Broadcasting Tariffs

- (i) Carriage Fee
- (ii) Placement Fee
- (iii) Marketing Fee
- (iv) Variant of Channels
- (v) Channel Visibility on Electronic Program Guide (EPG)
- (vi) Pay-per-program Viewing and Tariff Options
- (vii) Audit and reporting issues related to Tariff

F. Sun TV provided its comments to the Tariff Consultation Paper on 11<sup>th</sup> March 2016. Pursuant to the consultative process and analysis, the TRAI issued Draft Tariff Order.

**Preliminary Comments/Objections**

1. At the outset, Sun TV reiterates its comments to the Tariff Consultation Paper but not repeating the same here for the sake of brevity. Sun TV's comments to the Tariff Consultation Paper be deemed to be incorporated herein by reference.
2. The stated objectives of the consultation were as under:-
  - (a) To carry out a review of existing Tariff arrangements and developing a Comprehensive Tariff Structure for Addressable TV Distribution of "TV Broadcasting Services" across Digital Broadcasting Delivery Platforms (DTH/ Cable TV/ HITS/ IPTV) at wholesale and retail level
  - (b) To ensure that the tariff structure is simplified and rationalized so as to ensure transparency and equity across the value chain





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- (c) To reduce the incidence of disputes amongst stakeholders across the value chain encouraging healthy growth in the sector
  - (d) To ensure that subscribers have adequate choice in the broadcast TV services while they are also protected against irrational tariff structures and price hikes
  - (e) To encourage the investment in the TV sector
  - (f) To encourage production of good quality content across different genres
3. It is stated that Draft Tariff Order neither complies with the SC Order and/or accomplishes the objectives of the consultation paper. On the contrary, it has failed to create an enabling environment ensuring transparency, non-discrimination, consumer protection and growth of the sector.
  4. In the Tariff Consultation Paper, the TRAI suggested possible tariff models broadly categorized into three categories viz - Models at Wholesale Level, Models at Retail Level and Integrated Models. Admittedly, the broadcasters have favoured 'Regulated RIO Model'<sup>1</sup> and not favoured 'Integrated Distribution Model'<sup>2</sup>. On the contrary, most of the large DPOs favoured 'Integrated Distribution Model'<sup>3</sup>. It is stated that despite that 'Distribution Network Model' favoured by large DPOs was accepted over the 'Regulated RIO Model' favoured by the Broadcasters. It is stated the TRAI's bias in favour of larger DPOs and against the Broadcasters seems to be evident.
  5. The TRAI's bias is further evident from the fact that in the Tariff Consultation Paper itself the TRAI had listed 13 pros in favour of the 'Distribution Network Model'<sup>4</sup>, and only 6 pros in favour of the 'Regulated RIO Model'<sup>5</sup>. However, the TRAI has conveniently overlooked 4 challenges in the 'Distribution Network Model'<sup>6</sup>, which will severely impact the Subscribers, over only 2 not so severe challenges under the 'Regulated RIO Model'<sup>7</sup>.
  6. It is stated that the TRAI has opted for the Distribution Network Model (amongst many other tariff models), despite several objections from different stakeholders. The TRAI has intended to replace a well settled model, which was introduced by the TRAI itself in 2004 and which was working perfectly under the aegis of the TRAI for the past twelve (12)

<sup>1</sup>Para 13 of the Explanatory Memorandum of Draft Tariff Order

<sup>2</sup>Para 21 of the Explanatory Memorandum of Draft Tariff Order

<sup>3</sup>Para 14 and Para 22 of the Explanatory Memorandum of Draft Tariff Order

<sup>4</sup> Para 4.12.4 of the Consultation Paper

<sup>5</sup> Para 4.10.5.3 of the Consultation Paper

<sup>6</sup> Para 4.12.11(iv) of the Consultation Paper

<sup>7</sup> Para 4.10.5.3(iv) of the Consultation Paper





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- years, with a new model, which does not even have precedent anywhere in the world. It is further stated that in order to comply with the SC Order and to achieve the objectives of the consultation, the TRAI could have issued a new tariff order based on the observations made the Hon'ble TDSAT, and continued with the Regulated RIO Model, which was a preferred choice of majority of stakeholders.
7. It is stated that the proposed Distribution Network Model presumes that DAS will be implemented across India by April 1, 2017. Factually, the DPOs have failed to implement DAS in its true letter and spirit even in Phase 1. Majority of the litigations today before the Hon'ble TDSAT relate to non-provision or provision on wrong subscriber reports by the DPOs. Hence, the TRAI must permit the DAS to settle under the existing Regulated RIO Model rather than rushing through the new proposed Distribution Network Model, which will only add to the confusion and unsettle the present construct leading to more number of disputes amongst the stakeholders and may derail/disrupt the implementation of DAS3 and DAS4 .
  8. It is stated that there are about 830 private satellite TV channels which include 256 pay channels owned by 53 pay broadcasters. Under the existing Regulated RIO model, the DPOs subscribe to the Broadcasters' channels and offers few packages to the Subscribers. The Subscribers conveniently selects one (1) out of such few offered packages. Under the proposed Distribution Network Model, the Subscribers will be offered over 250+ packages from the Broadcasters and the relevant DPO, which will unnecessarily confuse the Subscribers and make their selection process extremely difficult. Moreover, under the existing Regulated RIO Model, the DPOs are finding it difficult to offer a-la-carte channels in addition to few bouquets. Offering and managing a-la-carte channels with over 250+ packages will be a technological nightmare.
  9. It is stated that unlike the existing Regulated RIO Model, under the 'Distribution Network Model', the theSubscribers will be compelled to pay an additional amount of uptoRs. 80/- for 100 channels towards network fee and uptoRs. 50/- towards other fees. In view thereof, the Subscribers either will be compelled to pay more to subscriber to the same number of channels or will be compelled to watch less number channels thereby impeding the Subscribers' choice of channels.
  10. It is stated that unlike other industries like Telecom and FMCG, the Broadcasters do not have direct control in the delivery of its offerings to the Subscribers. Hence, by opting for the Distribution Network Model and granting rights to the Broadcasters to fix MRP at the retail level does not really work. Moreover, any such perceived right of the Broadcaster automatically gets scuttle when the TRAI permits the DPOs to offer uncapped discounts on the MRPs to create its own retail prices.
  11. It is stated that under the proposed Distribution Network Model, while the TRAI has opted to impose a ceiling on the carriage fees, the placement fee and the marketing fee is completely left under forbearance. This makes imposition of a ceiling on carriage fees completely redundant. Moreover, under the proposed Distribution Network Model, the TRAI has not provided for minimum network capacity thereby incentivizing the DPOs to





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have lesser network capacity so as to create an artificial bandwidth constraint to earn more carriage fees, placement fees and marketing fees.

12. It is stated that the proposed Distribution Network Model will increase the Broadcasters' reliance and dependence on advertising revenue thereby impacting further investments in the broadcasting sector.

## Provision-wise Comments/Objections

13. Without prejudice to Sun TV's comments to the Tariff Consultation Paper, Sun TV's preliminary comments to the provisions of Draft Tariff Order are as under:

### PROVISIONS OF DRAFT TARIFF ORDER

#### Short title, extent and commencement

14. Draft Tariff Order, Draft Interconnection Regulations and Draft QoS Regulations are all interlinked. Hence, Draft Tariff Order need to be implemented simultaneously with Draft QoS Regulations and Draft Interconnection Regulations. If Draft QoS Regulations is to come into force after 180 days from its publication in the official gazettee, the same timeline must be extended to Draft Tariff Order as well. It surely cannot come into force from April 1, 2017.<sup>8</sup>

#### Definition

15. The TRAI must mandate that the EPG across DPOs be aligned with genre classification by BARC. The genre-wise listing of channels (LCN) in the EPG must be basis average BARC rating in immediately preceding 12 months of the relevant contract year. This will ensure same EPG listings across DPOs. The definition of 'electronic programme guide' or 'EPG' needs to be accordingly amended.<sup>9</sup>
16. The Broadcasters are entitled to fix the 'Maximum Retail Price' of the channels. The DPOs cannot be allowed to fix 'Retail Price'. At best, both the Broadcasters and the DPOs may, on a non-discriminatory basis, be permitted to offer discounts on the 'Maximum Retail Price' as a-la-carte channels and also bouquets offered by the Broadcasters and the DPOs will eventually compete with each other.<sup>10</sup>

<sup>8</sup> Clause 1(2) of Draft Tariff Order

<sup>9</sup> Clause 2(q) of Draft Interconnection Regulation

<sup>10</sup> Clause 2(ze) of Draft Interconnection Regulation





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17. The TRAI needs to define 'Commercial Subscriber' and mandate separate tariff for 'Commercial Subscriber'.<sup>11</sup>

## Manner of offering channels by Broadcasters

18. The Broadcasters are not permitted under law to sell the channels at prices over and above the MRPs. However, it is well within their rights to sell the channels at prices less than the MRP. Under the circumstances, it may be inappropriate for the TRAI to impose an artificial discount limit of 15%. The discretion to offer discount must lie with the Broadcasters. Moreover, any additional discounts offered by the Broadcasters (over and above 15%) will only benefit the Subscribers and the TRAI must not have any objections to such discounts.<sup>12</sup>
19. The Broadcasters may not have a single pricing for a channel across geographical locations and may choose to have a differential pricing of the channels in different geographical locations. Due to technical limitations, by running scrolls the broadcaster would be by default communicating to such change in prices to subscribers in other geographic locations as well which may create confusion and unnecessary harassment to subscribers. In view thereof we suggest the Broadcaster be permitted to display OSD, as technology permits it to be displayed differently in different jurisdictions. In this regard, the TRAI may consider defining the size and the frequency of such OSDs.<sup>13</sup>

## Genres of television channels

20. BARC today offers credible data. Hence, it may be worthwhile to link Genres (amongst others including LCN and EPG) with BARC. This will not only assist in standardization (classification and regional wise sub-classification) of Genres across DPOs but also immensely help the Subscribers while surfing through the channels and more importantly in the event of STB portability.<sup>14</sup>
21. Same as para 20 above.<sup>15</sup>

## Cap on maximum retail prices for pay channels in addressable systems

22. The TRAI has not provided any justification for arriving at the price ceiling for SD and HD channels.<sup>16</sup>

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<sup>11</sup> Clause 2(zh) of Draft Interconnection Regulation

<sup>12</sup> 2<sup>nd</sup> proviso to Clause 3(3) of Draft Tariff Order

<sup>13</sup> 1<sup>st</sup> proviso to Clause 3(6) of Draft Tariff Order

<sup>14</sup> Clause 4(1) of Draft Tariff Order

<sup>15</sup> 1<sup>st</sup> proviso to Clause 4(2) of Draft Tariff Order

<sup>16</sup> Clause 5 of Draft Tariff Order







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## Manner of offering of channels by the distributor of television channels

23. On an average Subscribers today subscribe about 250 SD channels ( around 200 FTA channels + around 50 Pay Channels) for approximately Rs. 300/- per month. Under Draft Tariff Order, to subscribe to the same set of channels, the Subscribers may be required to pay upto Rs. 250/- per month towards network fee. Over and above above this, the Subscribers will have to pay for Pay channels based on the MRP/Retail price of the subscribed channels. This obviously cannot be in the Subscribers' interest. Further, it is submitted that the DPOs cannot be permitted to charge carriage fees from the Broadcasters and separately charge network fees from the Subscribers for carrying the same set of channel. Under the circumstances, taking into account the viability and sustainability of DPOs on one hand and the Subscribers' interest on the other, TRAI may consider specifying a maximum network fee, not exceeding Rs. 150/- (exclusive of service tax), irrespective of the number of channels subscribed by the customer.
24. Same as para 16 above.<sup>17</sup>
25. As discussed in para 21, more number of genres will ensure more options to the Subscribers even in the basic service tier.<sup>18</sup>

## DRAFT INTERCONNECTION REGULATIONS

### Background

- G. On May 4, 2016, the TRAI had issued a Consultation Paper on Interconnection Framework for Broadcasting TV Services distributed through Addressable Systems ("Interconnection Consultation Paper").
- H. Sun TV provided its comments to the Tariff Consultation Paper on 11<sup>th</sup> March 2016. Pursuant to the consultative process and analysis, the TRAI issued Draft Interconnection Regulations.

## PROVISIONS OF DRAFT INTERCONNECTION REGULATIONS

### Provision-wise Comments/Objections

26. Without prejudice to Sun TV's comments to the Tariff Consultation Paper, Sun TV's preliminary comments to the provisions of Draft Interconnection Regulations are as under:

### Short title, extent and commencement

27. Same as para 14 above.<sup>19</sup>

<sup>17</sup> Clause 6(2) of Draft Tariff Order

<sup>18</sup> Clause 6(7) of Draft Tariff Order





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## Definition

28. 'Carriage Fee' is computed basis reach of the channels to active Subscribers (and not computed based on the entire subscriber base/active subscriber base of the DPO). The definition of 'carriage fees' may be amended appropriately with necessarily clarifications, if required.<sup>20</sup>
29. Same as para 15 above.<sup>21</sup>
30. Same as para 17 above.<sup>22</sup>

## Interconnection

31. In a digital addressable environment, Placement Fees and Marketing Fees has no role to play. BARC today provides credible genre-wise rating of channels basis Subscribers' preference. In the Subscribers' interest, the TRAI must mandate that the channels be listed in the LCN and EPG as per last 12 months average of BARC ratings. This will also ensure same LCN and EPG across DPOs and assist the cause of STB interoperability. The clause needs to be amended accordingly.<sup>23</sup>
32. On one hand, the TRAI has not mandated any minimum network capacity for the DPOs; on the other, it has permitted DPOs to charge Carriage Fees from Broadcasters as well as not regulated other charges (including Placement Fees and Marketing Fees) payable by the Broadcasters to DPOs. This will only incentivize the DPOs to have lower network capacity. The TRAI must mandate minimum network capacity of at least 500 channels specifically for metros. At the same time, the TRAI must ensure that the DPOs are not permitted to manipulate with the signals of the Broadcasters (i.e. downgrade from 8 mbps to 4 mbps and from 4 mbps to 2 mbps or vice versa).<sup>24</sup>
33. Unless the DPO's network capacity are fixed by the TRAI, the 'first come first serve' clause will substantially dilute 2<sup>nd</sup> proviso to Clause 3(5) of Draft Interconnection.<sup>25</sup>
34. In an ideal scenario, this clause may be effected if the reach of the particular channel is less than 5% of the target market (and not subscription fees as referred to in Draft Interconnection Regulations). However, since Placement Fee and Marketing Fee is not capped by the TRAI, this clause is likely to be misused by the by DPOs.<sup>26</sup>

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<sup>19</sup> Clause 1(3) of Draft Interconnection Regulation

<sup>20</sup> Clause 2(l) of Draft Interconnection Regulation

<sup>21</sup> Clause 2(t) of Draft Interconnection Regulation

<sup>22</sup> Clause 2(mm) of Draft Interconnection Regulation

<sup>23</sup> Clause 3(6) of Draft Interconnection Regulation

<sup>24</sup> Clause 3(9) of Draft Interconnection Regulation

<sup>25</sup> 1<sup>st</sup> proviso to Clause 3(11) of Draft Interconnection Regulation

<sup>26</sup> Clause 3(12) of Draft Interconnection Regulation





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## Publication of RIO by Broadcasters

35. Based on practices of other sectors and alleged available data, the TRAI has fixed a distribution fee of 20% without taking in the practice and ground realities of broadcasting sector in India and across the world.<sup>27</sup>

## Interconnection Agreement between broadcasters and DPOs

36. The audit of DPO's systems may be done by BECIL to certify compliance to technical standards and/or any specific investigation as the case may be. However the Broadcaster must have the right to engage any other technical auditor either by way of an outside agency or its own resources. Subscriber audit however has to be performed only by any of the Big 4 CA firms empaneled by TRAI (and not BECIL).<sup>28</sup> Subscriber audit is essentially a revenue assurance audit and this has to be performed and certified by personnel specialised and engaged in this field.
37. The period of 30 days for concluding agreements between broadcasters and DPOs is too less and conflicts with Clause 3(5) of Draft Interconnection Regulation.<sup>29</sup>
38. The execution by DPOs of draft RIOs published on broadcasters' website cannot be treated as valid agreements. The agreement needs to have agreement nos and many more verifiable details of DPOs.<sup>30</sup>
39. Sending of soft copies of execution of the interconnection agreement by the Broadcasters to DPOs shall be deemed to be in compliance and sending of physical copies and acknowledgement need not happen within 15 days<sup>31</sup>.
40. The Broadcasters cannot be solely be made responsible for renewal of the interconnection agreement. The DPOs are equally responsible<sup>32</sup>?
41. Same as paras 32 and 33.<sup>33</sup>
42. The Carriage Agreements cannot be treated as Interconnection Agreements (particularly for Pay channel Broadcasters). The DPOs mandatory need to execute Interconnection Agreement prior to or simultaneous with the execution of Carriage Agreements<sup>34</sup>.

<sup>27</sup> Clause 5(3) of Draft Interconnection Regulation

<sup>28</sup> Clause 9(6) of Draft Interconnection Regulation

<sup>29</sup> Clause 9(7) to Draft Interconnection Regulation

<sup>30</sup> Clause 9(9) to Draft Interconnection Regulation

<sup>31</sup> Clause 9(12) to Draft Interconnection Regulation

<sup>32</sup> Clause 9(13) of Draft Interconnection Regulation

<sup>33</sup> Clause 9(17) of Draft Interconnection Regulation

<sup>34</sup> Clause 9(18) and Clause 9(19) of Draft Interconnection Regulation





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## Territory of Interconnection Agreement

43. Any increase in area of operation has to be subject to written agreement and cannot merely be basis a written notice by the DPO<sup>35</sup>.

## Subscription Report and Monthly Fee

44. The Subscriber Reports are system generated. Under the circumstances, it is unclear why the timelines for provision of the Subscriber Reports have been increased from 7 days to 15 days<sup>36</sup>. The broadcasters must be entitled to disconnect the channels of DPO if such DPO fails to provide subscriber report. There is no justification for the Broadcasters to wait for the DPO's failure to provide 3 consecutive subscriber reports<sup>37</sup>.
45. DPOs are effectively getting 1 more month credit period, which is not acceptable to broadcasters. The DPOs collect money in advance (pre-paid) and pay to the Broadcasters in arrears. The Broadcasters must also be entitled to collect payments in advance (say as security deposit) from the DPOs.<sup>38</sup> The Broadcasters are entitled under law to claim arrears. Such rights cannot be taken away by way of this proviso<sup>39</sup>.
46. The Broadcasters must be entitled to raise provisional invoices if the DPOs fail to provide subscriber report. There is no justification to wait for the DPO to fail three consecutive times. Notwithstanding, the broadcasters must also be permitted to disconnect the signals of the channels<sup>40</sup>.

## Audit

47. The right to audit must survive at least one (1) each from the expiry of the Agreement<sup>41</sup>. The empaneled auditors must be amongst the BIG 4<sup>42</sup>. The subscriber reports are system generated. Hence, any amount of deviations must not be permitted<sup>43</sup>.

## Listing of channels in Electric Program Guide

48. Same as para 15 above. Further, the Platform Services must form part of separate EPG and must not be included within the genre categories of satellite channels.<sup>44</sup>

<sup>35</sup> Clause 10(2) of Draft Interconnection Regulation

<sup>36</sup> Clause 13(1) of Draft Interconnection Regulation

<sup>37</sup> Proviso 1 to Clause 13(1) of Draft Interconnection Regulation

<sup>38</sup> Proviso 1 to Clause 13(2) of Draft Interconnection Regulation

<sup>39</sup> Proviso 2 to Clause 13(2) of Draft Interconnection Regulation

<sup>40</sup> Provisos 3 & 4 to Clause 13(2) of Draft Interconnection Regulation

<sup>41</sup> Clause 14(1) of Draft Interconnection Regulation

<sup>42</sup> Proviso 1 to Clause 14(1) of Draft Interconnection Regulation

<sup>43</sup> Proviso 2 to Clause 14(1) of Draft Interconnection Regulation





# SUN TV NETWORK LIMITED

Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai - 600 028, India.  
Tel : +91-44-4467 6767 Fax : +91-44-4067 6161 Email: tvinfo@sunnetwork.in  
Website: www.suntv.in CIN.: L22110TN1985PLC012491

## DRAFT QOS REGULATIONS

### Background

- I. On May 18, 2016, the TRAI had issued a Consultation Paper on issues related to Quality of Service in Digital Addressable System and Consumer Protection (“**QoS Consultation Paper**”).
- J. Sun TV provided its comments to the Tariff Consultation Paper on 11<sup>th</sup> March 2016. Pursuant to the consultative process and analysis, the TRAI issued Draft QoS Regulations.

## PROVISIONS OF DRAFT QoS REGULATIONS

### Provision-wise Comments/Objections

49. Without prejudice to Sun TV’s comments to the Tariff Consultation Paper, Sun TV’s preliminary comments to the provisions of Draft QoS Regulations are as under:

#### Title, extent and commencement

50. Same as para 14.<sup>45</sup>

#### Definition

51. Same as para 16.<sup>46</sup>
52. Same as para 17.<sup>47</sup>

#### Provision of TV broadcasting services

53. It may be advisable to reiterate that the SMS has to be integrated with CAS.<sup>48</sup>

#### Display of Channels on EPG

54. Same as para 15 above.<sup>49</sup>

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<sup>44</sup> Clause 17 of Draft Interconnection Regulation

<sup>45</sup> Clause 1(3) of Draft QoS Regulation

<sup>46</sup> Clause 2(oo) of Draft QoS Regulation

<sup>47</sup> Clause 2(rr) of Draft QoS Regulation

<sup>48</sup> Clause 3 of Draft QoS Regulations

<sup>49</sup> Clause 33 of Draft QoS Regulations

