TIMES NETWORK
NOW OR NOTHING

20 November, 2015

TIMES NETWORK'S COMMENTS
ON
THE DRAFT TELECOMMUNICATION (BROADCASTING AND CABLE SERVICES) INTERCONNECTION (DIGITAL ADDRESSABLE CABLE TELEVISION SYSTEMS) (SIXTH AMENDMENT) REGULATIONS, 2015

In response to TRAI's consultation paper on the draft regulations for DAS Cable Systems platform envisaging proposed amendments pertaining to interconnection agreements between service-providers, our comments are stated herein under. You may kindly note that below comments are without prejudice to our rights and contentions, including in any ongoing or future litigations and we reserve our rights to modify, change and submission of further comments or counter comments to clarify our position on the issues under this consultation paper.

COMMENTS:

Upon the detailed perusal of the present consultation paper, we could broadly identify two issues for consultation viz.:

1. Mandatory written interconnection agreement;
2. New interconnection agreement upon expiry of an existing agreement.

We have based our response on the above broad issues. Our issue wise response is as under:

1. **Mandatory Written Interconnection Agreement:**

   We are in agreement with TRAI on this issue. We already have a mandatory written agreement clause provided under both DAS platform and analogue, DTH & other addressable systems platform regulations. We believe that mandating written interconnection agreement between service-providers for retransmission of the pay channel(s) even if nil subscription fee is charged will

only increase overall efficacy in the distribution eco-system and much desired transparency in the interconnections between the service providers.

2. **New Interconnection Agreement upon Expiry of an Existing Agreement:**

   We appreciate the TRAI's concern for the inconvenience caused to the consumers by sudden disconnection due to failure of the service providers to enter into new Interconnection Agreements. The mechanism proposed by TRAI under the draft regulation pertains to new time lines for the new interconnection agreement upon expiry of an existing agreement between the service providers.

   We feel that the mechanism proposed by TRAI would make the new agreement process unnecessarily cumbersome and confusing. The reasons for such assessment are as under:

   a). **Wrong to suggest that there can be sudden disconnection of channels:** The proposed regulation itself mentions that *"…to ensure that inconvenience is not caused to the consumers* ***by sudden disconnections of signals*** *due to failure of the service providers to enter into new interconnection agreements..",* which is not correct. The extant regulation provide for mandatory 21 days public notice prior to a disconnection. Such prior notice ensures that the consumers are well informed in advance and can make alternate arrangements in case of likely disconnection. This takes care of any inconvenience cause to the consumers from a sudden disconnection of signals due to failure of the service providers to enter into new interconnection agreements. Thus the 'inconvenience cause to the consumers' is a wrong premise for the proposed regulation.

   b). **The proposed regulation will cause timeline squeeze:** The existing renewal mechanism for the interconnection agreement for DAS platform was based on the prevailing regulations of the other distribution systems' regulations which provided for three months post the expiry of the

agreement, therefore was widely accepted and easy to implement. However, the proposed new timelines do away for the three months of negotiations post the expiry of the agreement, this would take away the crucial time period required for the negotiations between the service providers. The service providers are likely to be hastily entering into new agreements just to be in compliance of regulations and avoid disconnection. This would only lead to agreements based on incomplete and one-sided negotiations between the parties to it.

c). **New timelines are confusing:** The draft regulations provides that incase the service providers fail to enter into new interconnection agreement MSO or the LCO, as the case may be, shall, fifteen days prior to the date of expiry of the agreement inform the consumer the disconnection of signals. When there is already a regulatory provision for 21 days' notice then mandating 15 days' prior information to the consumer for the disconnection of signals, would only increase confusion for the service providers. Thus, Service Providers will not know if the 21 days' notice for disconnection or 15 days' notice will be sufficient for the disconnection of channels.

d). **Certain Agreements should have been exempted:** Certain agreement which are purely based on broadcaster's RIO i.e. where the monthly billing based on SMS reports furnished by the MSO to the broadcasters should have been exempted from the draft regulations. Such agreements are repetitious where term extension is a mere formality and can be kept out of the draft regulations.

e). **Immediate implementation of the proposed Order will create confusion and chaos:** The proposed regulation, if implemented with immediate effect, will create great chaos and confusion as there are agreements which are either expiring or going to expire and the negotiations for renewal for such agreement are under way on the basis of timelines prescribed under

the existing regulations. If the service providers are to stringently follow the prosed regulation, then they have to relentlessly disconnect operators whose agreements have expired, even though their legitimate extensions of service are due under the existing regulations. Be that as it may, if the proposed regulation has to be implemented it should only be made applicable prospectively, after no less than one year from its notification. This will give enough time & opportunities to the Service Providers to plan and effectively carry out their negotiations to stay compliant of the proposed regulation.

The above are broad shortcomings that we perceive that may incur when the proposed changes pertaining to new agreement timelines are implemented. In view of the above, we recommend to TRAI for a full and proper regulatory impact analysis before going ahead for implementation of the proposed changes.