

F.No. 1/7/1-2014-PMU (DAS)
Government of India
Ministry of Information and Broadcasting
A-Wing, Shastri Bhawan, New Delhi

Dated the 23rd March, 2015.

Subject: Minutes of the 6th meeting of the TASK Force on implementation of Digital Addressable System in Cable TV Network in Phase – III & IV held on 13.03.2015.

Please find enclosed a copy of the minutes of the 6th meeting of the TASK Force on the implementation of Phase – III & IV of Cable TV Digitization held on 13.03.2015 under the Chairmanship of Additional Secretary, Ministry of Information Broadcasting, for information and necessary action.

Encl: As above.

Anil Pathak
23.03.15

(Anil Pathak)
Assistant Engineer (DAS)
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To,

[All Members of the Task Force including those present]

Copy to:

- I. PPS to Secretary, I&B
- II. PPS to Additional Secretary, I&B
- III. PPS to Joint Secretary (B-I).
- IV. Director (BP&L)
- V. Advisor (DAS)
- VI. Dy. Secretary (DAS)

MINUTES OF 6TH TASK FORCE MEETING ON IMPLEMENTATION OF DIGITAL ADDRESSABLE SYSTEM IN CABLE TV NETWORK IN PHASE III & IV HELD ON 13.03.2015

The 6th meeting of the Task Force on implementation of phases III & IV of digital addressable system in cable TV network was held on 21.01.2015 under the chairpersonship of Additional Secretary. List of the participants is annexed.

2. Welcoming the members, Chairperson mentioned that MSOs had been asked to give seeding plans for phase III areas. The data in this regard received from 37 out of 100 MSOs so far indicates that about 31 lakh STBs have been seeded by them with about 5.5 lakh STBs in their stock and about 23.5 lakh STBs under orders of purchase. He remarked that the seeding so far was very low vis-à-vis the target. He asked the representative of MSOs to apprise the Task Force about their strategies, plans and constraints, if any in executing the same.

3. Representative of MSOs made the following points on their seeding plans;

- i. There are issues of content costing, due to which they are finding it difficult to plan digitisation in new areas. Seeding plans can be firmed up by MSOs only after knowing content cost. Till then MSOs can only give their seeding projections instead of seeding plans.
- ii. Revenue from phase III and phase IV areas is about 20-30% of the total revenue from the country. So content cost in phase III and phase IV areas cannot be same as that in phase I and phase II areas. This has to be taken into account by all stakeholders
- iii. Broadcasters are not entering into interconnect agreements with the MSOs for phase III areas. This is the major bottleneck. In this regard TRAI has fixed a meeting with broadcasters and MSOs on 18th March 2015.
- iv. Unless the input cost is known, MSOs cannot educate the consumers about their rates.
- v. There are issues of local taxation levied by some State Governments. Also there are instances where local cable operators switch over to analogue when the digital signal to them is cut off by the MSO.

4. Representatives of broadcasters made the following points on the issue of interconnect agreements;

- i. MSOs have not approached the broadcasters for entering into interconnect agreements in new areas.
- ii. MSOs do not have a concrete plan. Broadcasters are ready to cooperate as they did in phase I and phase II.
- iii. In their perspective, the stage has not reached where agreements can be finalized.
- iv. Seeding was done by MSOs in phase I and phase II without first entering into interconnect agreements with broadcasters. Why this has become an issue now?
- v. How broadcasters cannot have their business plans? Channel prices have gone up due to technical up gradation from SD to HD. Also, the advertisement rates have not increased.

Chairperson mentioned that there is a lack of mutual connect between broadcasters and MSOs. Each stakeholder wants to maximize their own interests. They ought to move beyond these considerations and arrive at consensus. He advised them to sit together and sort out their issues. He added that the data on subscription revenue and carriage fee which IBF and NBA had in the last meeting assured to send to Ministry is still awaited.

5. Representative of TRAI mentioned that as per the Hon'ble TDSAT's Judgment in one case, MSO/LCO providing cable TV services is free to provide digital cable service in new areas unless it trespasses other areas. He impressed upon the broadcasters to enter into interconnect agreements with MSOs who approach them for content in phase III and phase IV areas. He informed that a meeting with broadcasters and MSOs has been fixed to be held on 18th March 2015 to address this issue. He added that MSOs must take the consumers choice before installing STBs.

6. Representative of Consumer forum mentioned that pricing is the main issue facing the consumers. He added that consumers should know the price before he switches over to digital.

7. Representative of CEAMA stated that they approached as many MSOs as possible to clear their doubts about indigenous set top boxes. However the response from the MSOs has not been encouraging. He reiterated that they have the capacity to meet the requirements of phase III and phase IV. Chairperson directed that in the format of the seeding plans sought from the MSOs, additional information on the number of indigenous set top boxes seeded and ordered by MSOs should also be sought. He emphasized that there should be appreciable use of indigenous set top boxes also by the MSOs.

8. Representative of U.P Government mentioned that CAF forms should be got filled by the MSOs before changing to digital mode in phase III and phase IV areas. He added that the State Government was not having complete seeding data of phase II cities. Representative of J&K Government wanted consumers to be informed about the set top box price.

9. Concluding the meeting, Chairperson emphasized that each day counts towards progress in digitisation. He impressed that progress would be slow without public awareness campaign by the stakeholders. He emphasized that broadcasters have to contribute by mounting awareness campaign on their channels as was done by them during phase I and phase II. Likewise the MSOs have to contribute in this campaign. He urged that broadcasters should start a dialogue with MSOs immediately. He welcomed the initiative taken by TRAI to hold a meeting with broadcasters and MSOs to resolve the issue of interconnect agreements. However, the stakeholders should themselves get together and put in their utmost effort to ensure that such issues do not come in the way of achieving the goal of digitisation. He said that as pointed out by some members of the Task Force, digitisation has begun to benefit all stakeholders. To achieve the target, activity on the ground needs to be accomplished from now itself as it is not a matter that can be put in place overnight. He urged all stakeholders to make sincere efforts to achieve the targets at the earliest.

Meeting ended with vote of thanks to the chair.
