

Minutes of the 1st Meeting of the Task Force on Implementation of Digital Addressable Cable TV Systems held on 22.7.2011 under the Chairmanship of Additional Secretary, I&B

The 1st meeting of the Task Force on Implementation of Digital Addressable Cable TV Systems was held under the Chairmanship of Shri Rajiv Takru, Additional Secretary, Ministry of Information and Broadcasting on 22.7.2011 in the Committee Room, Shastri Bhawan, New Delhi. List of participants is appended at **Annexure**.

2. The Chairman, in his opening remarks, welcomed the Members of the Task Force and briefly mentioned about the Ministry's perspective on the digitalization of cable sector. He requested the Members to share their views to how to move forward for the digital transition in cable sector within the time frame fixed by the Ministry. Before initiating the discussion, the Members desired to know the status of the Ministry's proposal on digitalization and likely date of issuance of notification for digital addressable system (DAS). Shri Arvind Kumar, Joint Secretary (Broadcasting) [JS (B)] outlined a broad timeframe within which the Cabinet approval for the implementation of DAS could be obtained. He said that the note for the Cabinet on digitalization had already been circulated for inter-Ministerial comments and the Ministry will be winding up inter-Ministerial consultations very shortly. Thereafter, the proposal would be sent for the approval of Cabinet for the introduction of Cable Television Networks (Regulation) Amendment Bill, 2011 in Parliament. JS (B) went on to describe the preparatory activities to be undertaken by various stakeholders in the run up to digitalization of cable sector. He pointed out that publicity on digitalization is an extremely important factor for the success of digitalization. He requested nodal officers of Metros to set up a committee at their level to sensitize the MSOs/cable operators and consumers on the digitalization roadmap and benefits of digitalization. He also informed the Members that the Ministry is intending to earmark certain budgetary provision under 12th Five Year Plan for the publicity on digitalization.

3. JS (B) informed the Members that COFI and some of the Members of MSO Alliance had, meanwhile, submitted a proposal to the Ministry for extension of CAS in other parts of Metros as an interim measure to kick start the process of digitalization. He sought the views of the Members on

the proposal since there had been divergent points of view on proposal amongst the industry associations when the Ministry discussed the proposal with them. Thereafter , the forum was kept open for deliberations on the feasibility of extending CAS and other related issues on digitalization .

4. Sh. A. Mohan, IBF said that full-fledged digitalization has been the demand of broadcasters and, as such, IBF is not in favour of extension of CAS. He added that introduction of CAS as an interim measure will create more confusion in the industry and that IBF is not in agreement with any kind of piece meal approach for digitalization. Moreover, extension of CAS will be perceived as non seriousness on the part of Government for implementing DAS. He also added that even if timelines are stretched by a couple of months, the industry should go for DAS. Referring to TRAI's latest tariff order for addressable system, he mentioned that the application of the said order in its present form in digital addressable cable sector will lead to certain anomalies and would be contradictory to the amendments proposed under section 4A of the Cable Act. He also added that the present DAS tariff order, per se, does not have provision for basic service tier and its price fixation while it is proposed to retain basic service tier (BST) provision in the DAS notified areas. The TRAI will also be empowered to specify the number of FTA channels to be included in the package of channels forming basic service tier and the maximum amount which a cable operator can demand from the subscriber for receiving BST. Unless these anomalies are rectified , application of tariff order for addressable systems will not be practical in digital addressable cable TV systems. He also mentioned that the financial incentives recommended by TRAI for encouraging digitalization are to be taken up with Ministry of Finance with more vigour as it would allow smooth implementation of DAS. He also underscored that digitalization of cable sector will spread broadband penetration in India.

5. Sh. Ashok Mansukhani, IN Cable, President of MSO Alliance, while supporting for CAS extension, said that the benefits of CAS are known to the industry and such a move will act as a precursor to complete digitalization. Echoing similar views of Shri A Mohan on tariff order for addressable systems, he stressed that it is extremely important that these tariff issues be resolved by TRAI before notification on DAS is issued. He also underlined that besides tariff issues , TRAI may also have a re-look in to other regulatory aspects concerning Cable TV such as revenue

sharing between Broadcasters, MSOs and LCOs; reference interconnection agreement, Quality of Services to be administered by MSOs and Cable Operators , etc. He said that a clear laid down regulation for revenue sharing needs to be put in place for digital addressable cable system. He also suggested that TRAI may also engage in consultations with stakeholders whether there is any requirement to specify the retail prices of channels in DAS areas. He was also of the view that unless the financial incentives as recommended by TRAI are given to the industry , the digitalization as per the time frame set by the Ministry will not be possible since entire cost burden for the digital transition would have to be borne by MSOs only.

6. Lt Col (Rtd) . V.C. Khare, BECIL stressed the need for imparting training of cable operators on digital transition and said that BECIL is in the process of devising training modules for the purpose. JS (B) requested BECIL to share these details with industry organizations and involve industry before finalizing the modules. The Chairman of the Task Force mentioned that BECIL programme should be confined to training of Trainers only and that there will be a huge demand for such training modules in the wake of digitalization. He also suggested that the programme should be more broad-based in order to cater to the requirements of the industry.

7. While raising taxation issues prevailing in broadcasting sector , Sh. Rajiv Khattar, DTH Association, referred to the existing level of taxes which is close to 30% and pointed out that with the introduction of GST, these levels could go up to 45% , making the business for cable operators and MSOs unviable. He said that there is a need to rationalize these tax structures. He pointed out that the digitalization would bring in more revenue as the declaration level would go up in terms of the number of subscribers yielding much higher revenue which would result in the higher corporate tax and service tax to the government. Thus, the revenue gains from the increased digital penetration are likely to be much more than the revenue loss from the reductions in the Basic Customs Duty.

8. Sh. Ankan Biswas of CEAMA, while apprising the Members of the indigenous capacity of STB manufacturing which is around 17 million, mentioned that domestic manufactures have the requisite capacity to produce STBs to meet requirements of digitalization . He was of the view

that the existing duties on STBs should continue to encourage domestic manufacturing capabilities.

9. Mrs. Roop Sharma, COFI supported the proposal for extension of CAS. She said that by extending CAS, consumers will have a choice of both analogue and digital transmission which would allow both the consumer and the operators to get prepared for this transition. She added that a well defined revenue share needs to be devised for the Cable industry since the concept of determination of revenue by market forces is not conducive to their business model.

10. Sh. Jayaraman, Hathway said that CAS extension will hinder the process of speedy implementation of DAS. He was of the view that the Ministry should go ahead for introducing DAS.

11. Representative from Department of IT mentioned that preferential duty rates should continue for the next three years and DIT has already mooted a proposal to have preferential access to 30% assured market for indigenous STB manufacturers. He also stressed that the domestic manufacturing capacity of STBs needs to be encouraged.

12. Sh. Vivek Garg, ASSOCHAM pointed out that the manufacturing of STBs in the country was very much a viable option and said that there were no capacity issues relating to manufacturing of STBs. He said that interoperability of STBs was an impractical preposition and is difficult to achieve.

13. Sh.N. Parameswaran, Principal Adviser (B&CS), TRAI clarified the status and intent of DAS tariff order. He, however, assured that he would take up the issues which were discussed in the meeting to the Authority.

14. After the deliberations, the Task Force observed that there had not been any convergence amongst the Members on the proposal for extending CAS in other parts of metros with broadcasters associations namely, IBF and NBA having vehemently opposed the proposal. It was also noted that there were different points of view on the proposal amongst national level MSOs, while IN Cable and Digi Cable supported the CAS proposal in the interim, Star DEN and Hathway favored implementation of DAS. With regard to the tariff and regulatory issues raised by some of the Members of the Task Force, a general view emerged that that TRAI may be requested to look into these issues at the earliest before DAS comes into force in March

2012 in metros. The Members were of view that the Ministry may take up the matter with TRAI in view of the discussions held in the meeting.

15. Summing up the discussion, JS (B) said that broadcasting is such a dynamic sector that issues are bound to crop up from time to time. He thanked all the Members for taking the process forward and exhorted all the Members to hold meetings with the MSOs and Cable Operators and start making the requisite preparations and initiating publicity measures to prepare the cable operators /consumers for this transition from the analogue regime to the new digital regime.

The meeting ended with a vote of thanks to the Chair.

List of Participants

1. Sh.Arvind Kumar, Joint Sectary (Broadcasting)
2. Sh. Parameswaran N., Principal Adviser (B&CS)TRAI
3. Sh. Wasi Ahmad, Adviser (B&CS) , TRAI
4. Sh. Amit Sharma, Deputy Adviser (B&CS), TRAI
5. Sh. B.M. Baveja, Department of IT
6. Sh. Rajesh Suri, Department of IT
7. Sh. K. S. Rejimon, Deputy Secretary, M/o I&B
8. Sh. Navil Kapur , Under Secretary , M/o I&B
9. Lt.Col. (Rtd.) V.C. Khare, BECIL
10. Sh. Y. K. Sharma, BECIL
11. Sh. M. Jayaraman, IAS, Arsan Cable TV Corporation Ltd.
12. Sh. Satendra Kumar, Entertainment and Luxury Tax Excise
13. Sh. Sanjay Shaya, Excise
14. Sh. Vinay Vasant Gadgil, Mumbai Police, DCP (Enforcement)
15. Sh. Ajay Sharma, ASSOCHAM
16. Sh. Himawat Choudhury, FICCI
17. Ms. Leena Jaisani, FICCI
18. Sh. Ashok Mansukhani, MSO Alliance
19. Mrs. Roop Sharma, COFI
20. Sh. Ankan Biswas, CEAMA
21. Sh. Barun Das, NBA
22. Sh. Deepak Jacob, IBF
23. Sh. Rajiv Khattar, DTH Association
24. Sh. Anil Kumar Malhorta, Digi Cable
25. Sh. K. Jayaraman, Hathway
26. Sh. Athar Abbas, CATVISION
27. Sh. A. Mohan, IBF
28. Sh. Vivek Garg, Videocon, ASSOCHAM
29. Sh. S.K. Singh, Videocon, ASSOCHAM

MINUTES OF THE SECOND MEETING OF THE TASK FORCE ON DIGITALIZATION OF CABLE TELEVISION NETWORKS HELD ON 29.12.2011

The second meeting of the Task Force on digital switchover of cable television networks was held under the Chairmanship of Additional Secretary, I&B on 29.12.2011. The list of participants is annexed.

2. The meeting was held in the backdrop of the Bill seeking to amend the Cable Act to facilitate the digital switchover having been passed by both the Houses of Parliament and also the issue of notification on 11.11.2011 prescribing the dates of sunset of Analogue Cable Network and sunrise for digital Cable Network.

2. After a welcome note by AS, Joint Secretary (Broadcasting) made a Presentation covering the tasks already accomplished by the Ministry and the issues which require immediate attention so as to fulfill the time-bound digitalization within the prescribed time frame. A brief overview of the following five major areas requiring attention was given:-

- (i) Fiscal incentives for the Sector, for which COS meeting is scheduled to be held on 13th January, 2012.
- (ii) Effective Public Awareness Campaign (both in print and electronic media including DD, for which a communiqué/audio-video clip would need to be worked out soon).
- (iii) Training and Capacity Building (BECIL has already started the Training Programme). Stakeholders to assess the training requirement immediately and supplement the task of BECIL
- (iv) Availability of Set Top Boxes (STBs) to ensure smooth transition. Approximately 1 crore STBs would be required in 4 metros in case of the 1st phase. The issues relating to indigenous manufacturing capacity and import requirement to be thrashed out soon.
- (v) Issues pertaining to Tariff, Revenue Sharing and Inter-connection Agreements amongst the broadcasters, MSOs and Cable operators. Views of stakeholders on the consultation paper prepared by TRAI to be given urgently.

3. In the presentation, it was brought out that Ministry proposes to make the following efforts shortly:-

- A letter would be written to the Chief Ministers of four States covered in the first phase,

- State level meetings to be held with a view to sensitizing state machinery and publicizing the issue
- Task Force meeting will be held more frequently to review the progress made towards Training, Public Awareness Campaign and Availability of STBs.

4. After the presentation, the representatives of Broadcasters, MSO Alliance, Individual MSO and Cable Operators expressed their points of view. So far as the view of broadcasters represented by the Indian Broadcasting Foundation is concerned, the same was expressed in terms of the following:-

- Putting in place a definite timeframe for each of the activity envisaged so that the transition is smooth and no eleventh hour complication is confronted,
- Since the task envisages procurement of a huge number of STBs, which would involve import, the business decision on investment hinges on the clarity of customs duty exemption. The issue should be addressed and decision taken immediately to remove any uncertainty on this count.
- Issues pertaining to Tariff, Cable Rules and Registration of Operators need to be addressed very expeditiously. Since the time left for 1st phase is 6 months, it should not happen that Rules are delayed to such an extent that the deadline of 1.7.2011 becomes impracticable.
- Meeting of Task Force should be held fortnightly to take stock of the progress so that time for course correction is not exhausted.
- In the subsequent phases of DAS implementation, it would be desirable to consider leasing/sharing of infrastructure like optical fibre network already created for telecommunications and ISP by BSNL, MTNL etc so as to avoid duplicity of infrastructure creation.

5. MSO Alliance / MSOs brought out the following points:

- Along with customs duty exemption for STBs, a conducive Digital Eco System needs to be put in place to cover the whole range of taxes and levies at the State/field level.
- BECIL should focus on Training programmes in four Metros and bigger cities. Doordarshan Kendras and its Engineers' service could be used for training in smaller towns and cities.
- Publicity may not be confined to the traditional media platforms but should cover emerging platforms like Internet, SMSs and should be multi-media oriented.

- Infrastructure status may not be confined only for the purpose of tax concessions, but the Ministry of Commerce and Industry may be moved for granting the status of Small and Medium Industry to the Industry, which would enable it to secure finance at concessional rates.
- To sort out regulatory issues including “tariff”, “must carry” aspects, in a meaningful and objective way. There should be interaction between Ministry and TRAI.
- Since Government initiated publicity campaigns have higher credibility and wider public acceptance, Government should immediately initiate public campaign.
- A communiqué by way of advertisement should preferably be issued in the first week of January 2012 to spread awareness among public.
- For success of DAS, the issue of piracy of “pay channels” by bundling them with free channels should also be addressed.
- The restrictive clause imposed by broadcasters on the MSOs not to extend their service beyond specified areas would not be conducive for smooth implementation of DAS and hence it should also be addressed.

6. The representative of COFI brought out the following points-

- They welcome the DAS initiative.
- In order to make the DAS a win-win for all, the concerns of LCOs, who are the last mile service providers, need to be taken into account. Consumers often complain about quality of broadcast and picture, which is mainly attributable to quality of signals received from broadcasters.
- Their points of view should also considered and give credence to by the Ministry as well as TRAI.
- STB standardization should be specified soon so that LCOs do not run into any difficulty.
- Since there are only a few MSOs in the smaller cities, Prasar Bharati should establish Headend in the Sky to provide signals to LCOs.
- DD Direct, which is not encrypted, is available on free to air basis and this will not accord a level playing field to LCOs under DAS. This issue needs to be addressed.

- What will happen in case of large hotels and institutes consequent to DAS.
- In Chennai, Arasu cable is offering FTA and a few pay channels, on which no tax is levied. This puts LCOs in an disadvantageous situation. This needs to be addressed.
- Agreement with broadcasters is skewed against LCOs and this issue needs to be resolved.
- The mechanism for registration of LCOs needs to be transparent and faster.

4. A member representing the consumers expressed optimism about competition setting in and the resultant lowering of the subscription rate. He stated that he could respond only after the tariff order is issued to reflect such an eventuality.

5. Responding to the views expressed by various members, Additional Secretary mentioned as under:

- Standardisation of STB in case of the next generation (MPEG 4) is underway.
- Ministry would take up the Tariff issue with TRAI including equitable revenue sharing amongst the stakeholders.
- Timelines for every part of activity will have to be defined and adhered to considering that the digital switchover is time bound and the time left for the same in 4 metros is very short.
- Since the role of State Governments is vital for smooth implementation of DAS, he highlighted the importance of the presence of Nodal officers of State Governments in the meeting for better understanding of the issues and timeline involved.
- To improve the quality of service to the consumers, effective steps need to be taken by all stakeholders so that the services are prompt and effective to the full satisfaction of the consumers.
- BECIL would train only the Trainers and the stakeholders should take care of training of other technical staff involved through these trainers. Since consumer interest is paramount, the MSOs/LCOs depute only well trained, certified technical staff to attend to complaints.
- The issue of inter-operability will have to be addressed suitably in keeping with the interest of both the consumer and the service providers as well.

6. Based on the deliberations made, the following decisions were taken:

- (i) The Task Force will preferably meet every fortnight. The next meeting will be held on 16th January, 2011.
- (ii) Nodal Officers may be designated by the States at senior level, preferably at the level of Secretary of the Information Deptt or the Information Commissioner.
- (iii) Six Sub-Groups are set up to attend to specific tasks as under:

1. Time lines matrix (Sub Group)

S.No	Name	Organization
.		
1.	Shri S.N. Sharma	DEN – MSO
2.	Shri K. Jayaraman	Hathway Cable
3.	Mrs. Roop Sharma	COFI
4.	Shri A. Mohan	IBF

2. Public Awareness Campaign (Sub Group)

S.No	Name	Organization
.		
1.	Shri Naresh Chahal	IBF
2.	Ms. Annie Joseph	NBA
3.	Mrs. Roop Sharma	COFI
4.	Shri S.N. Sharma	DEN – MSO
5.	Shri Ashok Mansukhani	MSO Alliance

3. Framing of Cable Television Networks Rules (Sub Group)

S.No.	Name	Organization
1.	Sh. Ashok Mansukhani	MSO Alliance
2.	Shri S.N. Sharma	DEN – MSO
3.	Shri J.P. Nathani	BECIL
4.	Mrs. Roop Sharma	COFI
5.	Shri A. Mohan	IBF

4. STB availability (Sub Group)

S.No.	Name	Organization
1.	Shri S.N. Sharma	DEN – MSO
2.	Shri J.P. Nathani	BECIL
3.	Shri K. Jayaraman	Hathway Cable
4.	Shri S.K. Singh	Videocon
5.	Shri Vikas Mohan	CEMA

5. Training/Capacity Building (Sub Group)

S.No.	Name	Organization
1.	Sh. Ashok Mansukhani	MSO Alliance
2.	Shri S.N. Sharma	DEN – MSO
3.	Shri J.P. Nathani	BECIL
4.	Mrs. Roop Sharma	COFI

7. Fiscal Incentives

S.No.	Name	Organization
1.	Sh. Ashok Mansukhani	MSO Alliance
2.	Shri S.N. Sharma	DEN – MSO
3.	Shri K. Jayaraman	Hathway Cable
4.	Shri A. Mohan	IBF

The Sub Group will interact and discuss the issues among themselves finalize their recommendations without awaiting any formal request or notice from the Task Force. The finalized recommendations may be placed before the Task Force. They may also like to share view points through email, with other Task Force members also, so that everybody is on board and aware of the developments and make their suggestions.

- (iv) Regarding sharing of infrastructure with BSNL/MTNL, the industry would draw up a plan and submit it to Ministry of I&B for taking up the issue with the Department of Telecommunications.

Meeting ended with Vote of Thanks.

MINUTES OF THE THIRD MEETING OF THE TASK FORCE ON DIGITALIZATION OF CABLE NETWORKS HELD ON 23.01.2012

The third meeting of the Task Force on digitalization of cable television networks to review the progress made on the action-points decided in the last meeting of the Task Force held on 29.12.2011, was held under the Chairmanship of Additional Secretary, I&B on 23.01.2012. The list of participants is annexed.

2. The main agenda of the meeting was to consider the recommendations/reports of 6 Sub-Groups on different tasks associated with the digitalization. The following points emerged during the meeting:-

- None of the Sub-Groups have so far been able to finalise their recommendations.
- In case of Sub-Groups on Availability of Set Top Boxes, Framing of Cable Rules, Training and Capacity building and Timelines, some members of the respective Sub-Groups had prepared a draft, but the same could not be discussed amongst the members of the Sub-Group to arrive at definite conclusions.
- The Task Force felt that in order to ensure that the mutual consultations amongst the members of the Sub-Groups are coordinated, views and counter-views of members thereof duly consolidated and final report firmed up on a time-bound basis, a Convener of each Sub-Group is required to be nominated.
- Additional Secretary clarified that the role of Convener is only for coordinating and consolidating the views of the members and forwarding the same to the Ministry and the Task Force. The Convener would be one among the members of the Sub-Group on an equal footing without enjoying any special status in the form of seniority or otherwise vis-a-vis other members.
- The Convener, while finalizing and consolidating the Report of the Sub-Group, will keep to the issues focused, adequately expressing the agreements and disagreements of members, so that action could immediately be initiated on the agreed issues and the issues of disagreement could be taken up for resolution.
- It was decided that each Sub-Group will finalize its recommendations/Report by 31st January 2012 and soon thereafter it would be sent to Ministry.
- The recommendations/report of the Sub-Groups, as received in the Ministry, would be circulated by the Ministry to all the members of the Task Force through e-mail, so that all the members are prepared to offer their comments, if any, before the next meeting of the Task Force.

- The next meeting of the Task Force will be held on 6.2.2012.
- Based on the above, Conveners of each of the six Sub-Groups were decided as under:

S.No.	Name of the Sub-Group	Convener	Additional Members (in addition to the composition decided in the last meeting)
1	Timeline Matrix	Shri A. Mohan, IBF	Shri Ravi Gupta, Independent MSO
2	Public Awareness Campaign	Shri Naresh Chahal, IBF	--
3	Framing of Cable Television Networks Rules	Shri Ashok Mansukhani, MSO Alliance	Ms. Annie Joseph, NBA
4	STB Availability	Shri Atul Lall, CEAMA	Shri S.K Sadani, Scientist, Deptt. Of IT and Shri Ravi Gupta, Independent MSO
5	Training/Capacity Building	Shri J.P. Nathani, BECIL	--
6	Fiscal Incentives	Shri K. Jayaraman, MSO Alliance	Shri Atul Saraf, Independent MSO

- In regard to issues relating to fiscal incentives, Additional Secretary, I&B suggested that while making its recommendations along with detail rationale/justification for fiscal incentives supported by sourced statistical data on the revenue foregone and likely generation of revenue to make up for the shortfall on an incremental basis, the Sub-Group may also keep in mind various scenarios of an outcome of the Government's decision on fiscal incentives and suggested that a plan keeping in view the likely scenarios, may be chalked out, especially the costing of import/local procurement of equipments. AS mentioned that such a "fall-back" option was desirable to withstand the repercussions in case the best scenario option did not materialize. This will enable the industry to go ahead along the path of digitalization without getting got off-guard or caught unaware in case the decision does not work out according to one specific scenario.
- A point was raised about placing of the draft Cable Rules on the website. This point was discussed and it was decided that the Sub-Group members, among themselves, may workout the modalities for the purpose, however the draft Rules as provided by the Sub-Group may not be placed on the website of the Ministry or that of BECIL.

- Shri Ashok Manshukani again raised the issue of infrastructure status to the industry, as raised by him in the last meeting, so that concessional finance becomes available to the industry. He requested that the issue may be treated independent of the fiscal incentives/tax concessions and taken up separately. He also mentioned that FICCI had given a Report in the matter. He was advised to forward a copy of the Report to the Ministry.
- A point was also raised that while sunset dates for different phases for various categories of cities have been prescribed, the same does not mean that cities which are to be digitalized in the later phases should not be included in the plan of preparedness right from now. This point was discussed and representatives of MSO Alliance, Independent MSO as well as COFI mentioned that this would require cooperation by Broadcasters for working out interconnectivity agreement so that exercise for digitalization could be initiated.

The meeting ended with thanks to all the participants.

MINUTES OF THE FOURTH MEETING OF THE TASK FORCE ON DIGITALIZATION OF CABLE NETWORKS HELD ON 06.02.2012

The 4th meeting of the Task Force was held under the Chairmanship of Additional Secretary, I&B, on 06.2.2012. The item on the Agenda was presentations by the six Sub-Groups on different aspects of the digitalization and discussions thereon.

2. The first presentation was made by the Sub-Group on availability of Set Top Boxes. The main points thereof are as under.

- Approximately 10 million boxes would be required in the first phase and 100 million boxes in the second phase.
- The Indian manufacturer has the capacity of producing 24 million Boxes per annum and there are six major manufacturers.
- New capacity can be added in short span of time and the capacity of Indian manufactures to meet the requirement was not a problem.
- The standardization and BIS specification for Set Top Boxes like MPEG2 Cable/DTH, MPEG4 SD needs to be notified urgently.
- Issues relating to long term funding requirement for manufacturers and C Form and VAT issue needs to be addressed.
- 5% Duty on local manufacturing is detrimental, as it puts Indian manufacturers at a disadvantage vis-à-vis Chinese manufacturers.

3. The next Presentation was made by the Sub-Group on Timeline matrix. The main points thereof are as under:

- Cable Rules to be notified by 20th February 2012.
- Completion of processing of applications in case of MSOs to operate in DAS areas, may conclude 15.5.2012.
- The Tariff, Interconnection and quality related regulations by TRAI to be notified by the end of February 2012.
- The Customs Duty and other fiscal concessions to be completed by the first week of March 2012.
- Review of implementation process so as to address any last minute problems to conclude by 7.6.2012.

4. Thereafter the Sub-Group on Public Awareness Campaign made the Presentation. The following points emerged:

- It was noted that the first advertisements in Print Media was publicized by the Ministry of I&B on 5.2.2012. The members recorded their appreciation for the same.
- IBF has worked out an advertisement module not only for telecast on their member TV channels but also for publishing in Print Media, which was to be brought out shortly.
- Ministry of I&B may request Doordarshan and AIR also for running a module for the purpose.
- NBA, as its representative mentioned, would also carry out advertisements and tickers through their member channels.
- MSOs and Local Cable Operators could also run similar module on their local channels.
- Seminars may also be organized for better awareness of stakeholders. The Ministry has already written to the Chief Secretaries of the 4 States under phase for the purpose.

5. The next presentation was made by Sub-Group on Cable Rules. The following points emerged:

- It was brought out by certain members, particularly representing the Local Cable Operators that they were provided the copy of the draft at the eleventh hour and as such they were not in a position to offer their comments.
- Additional Secretary clarified that if any member of the Task Force has any comments on the draft prepared by the Sub-Group on Cable Rules, they may sent their comments to DS(BP&L) within the next two days so that Ministry, while taking a final view in the matter, could consider these comments also.

6. Thereafter the Sub-Group on Training and Capacity Building made its Presentation.

7. In regard to issues relating to fiscal incentives, it was clarified by AS that the proposal in the matter had already been finalized by the Ministry on Information and Broadcasting for consideration of the Committee of Secretaries and the same would be taken up by the COS on 10.2.12.

8. The following general points also emerged during the meeting:

- It was clarified by AS that the recommendations of the Sub-Group were only in the nature of inputs for consideration of the Ministry of Information and Broadcasting and these recommendations were not the final word in the matter. He assured that no group may nurture any apprehension that since these recommendations, if not

reflecting their concerns, would be adopted by the Ministry on “as is where” basis and emphasized that while taking a final view, especially on Cable Rules, the Ministry would strive to frame fair rules in a bid to lay down a fair playing turf for all the stakeholders in the overall general interest of the cable television industry.

- AS also clarified that while divergence of opinion amongst the stakeholders was bound to happen, considering the business model of the cable TV industry, the endeavor of the Task Force was to work out modalities for DAS in such a way that the overall general interest of the industry and larger public good, is kept in mind. Therefore, he requested all the Task Force members to try to reconcile their individual interests for the overall benefit of the industry and public good
- AS also mentioned that the members of the Task Force are representatives of a larger constituency and while pursuing interest of their constituency, they may like to articulate their stand based on their understanding of the constituency they represent and they need not consult each and every member of the constituency. Otherwise, the very objective of including a representative in the Task Force will be defeated and in that eventuality the entire process would get unnecessarily protracted. Therefore, he advised the Task Force members to use their prudence and judgment to serve the interest not only of their constituency but also the larger interest of the industry.
- AS also emphasized that the prescribed timelines for digitalization shall be strictly adhered to and no one should be under any impression that the sun-set dates are likely to be extended. Thus, all the stakeholders should proceed on this premise.
- AS also requested the Task Members to ensure that only those attend the Task Force meeting, who are nominated members and do not bring additional persons with them.

MINUTES OF THE 5th TASK FORCE MEETING HELD ON 5.3.2012 IN THE CHAMBER OF AS (I&B) AT 3.30 PM

Initiating the discussion, JS (B) gave a brief presentation on the issues that had been taken up during the Task Force meetings and the progress made therein and gave a brief update on it. The brief update comprised the following:

- It was informed to the members of the Task Force that the cable rules are in the process of formulation and a draft formulation would be forwarded to the Legislative Department for vetting soon.
- The progress made in the publicity campaigns was also shared with the members. It was explained that the radio jingles and the TV spots would be finalized by the end of the next week, and the awareness campaign will be on public domains. The campaign has been planned in five languages i.e. Hindi, English, Tamil, Marathi and Bengali.
- There is currently no mandatory stamping of BIS certification on STBs and is voluntary in nature. It was, however, suggested that STBs could have a self certification by the manufacturer that it complies with BIS standards and that would take care of the issue. However, TRAI needs to look into the issue and it was suggested that this could be taken up in the open house meeting to be organized by TRAI on 13.3.2012. The revised standard of BIS of STBs is likely to be out by 31.3.2012.
- The members representing MSOs in the Task Force shared with the Ministry the position with respect to the orders placed for procurement of STBs and they expressed the difficulty with regard to compliance with BIS standards immediately as some, transitional time is required to comply with BIS standards but the industry is geared up for that.

Shri Yogender Pal, Advisor of PMU was introduced to the Members of the Task Force.

The meeting ended with a Vote of thanks to the Chair.

**MINUTES OF THE 6th MEETING OF THE TASK FORCE ON
DIGITILIZATION OF CABLE TELEVISION NETWORKS HELD ON
04.04.2012.**

The 6th meeting of the Task Force on the above mentioned subject was held under the chairmanship of Addl. Secretary, Ministry of Information & Broadcasting, on 04.04.2012 to take stock of the progress made so far towards achieving the target of digitalization of cable television by 30.06.2012 in four metro cities and to review the situation for further course of action. The list of participants is attached.

2. After a welcome address by the Addl. Secretary, JS(B) made a presentation on the tasks so far accomplished by the Ministry in the areas of public awareness; discussions with the State Governments; discussions with the stakeholders; status on availability of STBs and its seeding based on the data obtained from the national level MSOs; the assessment made by the Ministry's team during its visit to certain colonies in Delhi and MSOs' warehouses, as also an update on the cable rules and the status on the BIS standards for STB. The following main points emerged during the presentation:.

□ While one print media Advertisement has already been brought out by the Ministry on public awareness, NBA and IBF have not yet brought out any print advertisement. and this may be done soon.

□ The Ministry has also brought out radio jingles for public awareness, which are already on air by AIR. Also, two TV spots in 5 languages (English, Hindi, Marathi, Tamil and Bangla) have also been prepared and would soon be on air on Doordarshan channels. The CDs of these TV spots have been sent to NBA and IBF for running on their member TV channels.

□ JS(B) informed that Radio jingles have also been sent to AROI for airing on private FM channels for wider publicity.

□ In regard to availability of STB in case of Channai, where no data is available at present, it was clarified by JS(B) that discussions have been held with the two Chennai- based cable operators namely, ARASU and Sumangli and soon data would be available.

□ While pointing out that the availability of STBs and the current orders position in case of major MSOs strike a note of confidence, she pointed out that the data in regard to actual seeding of STBs was a matter of concern, as only 36,000 STBs were seeded during the week 16th to 23rd March, 2012. This needed to be given a greater momentum, considering the fast approaching deadline and substantial number of seeding to be made. At this juncture, AS mentioned that if the STBs are not installed by 30.6.2012 in all cable homes, despite availability of STBs, the MSOs and LCOs will have to face the wrath of consumers, as there would be analogue blackout and, hence, it was in the interest of LCOs and MSOs to accomplish this task with a due sense of urgency.

□ She also informed that based on the field visits made by the team of MIB, it transpired that the level of awareness amongst the consumer was very low, though LCOs appear well informed. MSOs need to address this issue.

□ JS(B) informed that Cable rules have been drafted and are awaiting vetting by the Law Ministry.

□ BIS has sent a reply in regard to the standards for STBs. They have informed that BIS has published IS 15245 : 2002 Digital STB specification for the purpose, which was re-affirmed in 2010.

3. Based on the subsequent discussions held in the meeting, the following points emerged.

□ In regard to the availability of STBs and the current orders position, the actual delivery period also needs to be taken note of and action taken accordingly by MSOs so that the last minute hitches could be avoided.

□ MSO's also could play a role in regard to public awareness on their individual channels. Therefore, the material prepared by MIB may be sent to them for the purpose.

□ MSOs are at present not in a position to take up public awareness exercise in right earnest because TRAI regulation on the vital issues of tariff, etc. are still awaited and once the regulation is out, MSOs will be in the know of the ground rules, prices of channels, etc, and then they may go all out in their marketing and public awareness exercise.

□ A separate Sub-Group may be set up to review seeding of STBs.

□ Smt. Roop Sharma of COFI informed that independent MSOs are having problems with the Broadcasters in regard to choice of STBs as Broadcasters often insist on a specific type of STB on the ground that other STBs are subject to hacking. She argued that such pre-conditions, as also other restrictive tactics, hamper the entrepreneurial drive of small LCOs, who aspire and have the will to go for business growth and graduate to the level of MSO. On this point, it was informed by the representative of Broadcasters that there were generic specifications for STBs and no such pre-conditions are imposed by Broadcasters. AS(I&B) requested Ms Roop Sharma to separately provide details, not as part of Task Force proceedings, in regard to the level of investment required by a LCO who wants to grow and take up the business of MSO, the number of minimum subscribers' base required to break-even and the time horizon for breaking even. Ms. Roop Sharma agreed to do so.

□ In regard to BIS standards, specified by BIS, a point was raised by a MSO that once STBs compliant with these specifications are procured and installed, it should not happen that the specifications are changed midway through the process, rendering the entire investment and efforts made by them futile. This point was appreciated by Task Force. It was noted that if at all specifications are upgraded by BIS in future, the

same will apply to future installation and the STBs already installed based on the existing specifications shall continue to hold good till the same are replaced after outliving utility.

□ A point was raised by the representative of indigenous manufactures that it must be made clear that DAS, though a digital mode of broadcasting, will not at this stage provide for two way transfer of data, as in case of broadband internet. He stated that there was some misunderstanding in the industry that DAS would facilitate broadband internet right away. He argued that this was neither intended, nor provided for in the existing legal framework nor are majority of STBs currently on procurement would support broadband internet. He argued that DAS as a technology is capable for supporting broadband internet and two-way data transfer, but the requisite legal framework and regulations will have to be changed and till such time, DAS will only be used for TV broadcast. He stated that if this misunderstanding is not dispelled, it may create unnecessary consumer agitation, leading to problems for all stakeholders. This point was well appreciated by the Task Force.

4. Thereafter, the meeting ended with vote of thanks to the chair.

Minutes of the 7th meeting of the Task Force on Digital Addressable System in cable television networks held on 16.04.2012.

The 7th meeting of the Task Force on the aforesaid subject was held under the chairmanship of AS (I&B) on 16.04.2012 to review the progress so far made in this regard and to discuss the further course of action. The list of participants is attached.

2. Welcoming the participants, AS (I&B) informed the members that the Cable rules in pursuance of the Cable Television Networks (Regulation) Amendment Act, 2011 have been finalized by the Ministry based on the observations of the Ministry of Law and would be sent to the Ministry of Law for vetting by 17.04.2012.

3. Thereafter JS (B) gave a brief update on the tasks accomplished by the Ministry since the last Task Force Meeting on 4.4.2012. She brought out the following in this regard:-

- The dedicated website on DAS has since been launched by BECIL (www.digitalindiamib.com)
- TV spots for public awareness are already on air on Doordarshan.
- TV spots prepared by the Ministry have already been sent to both NBA and IBF but the same are yet to be telecast by private TV channels. Although the TV spots prepared by the IBF are being telecast on private TV channels, it would be appropriate if the TV spots prepared by the Ministry are also run by these channels.
- Out of a total of 104.9 lakh Set Top Boxes required in four Metros, 20.32 lakhs had already been installed up to 16.03.2012.
- 1,45,392 Set Top Boxes were seeded during the period 16th March, 2012 to 5th April, 2012. This progress strikes a note of confidence.
- There were certain discrepancies and mismatch between the figures given by MSOs and the data obtained by this Ministry directly from the Post offices in Delhi in regard to the number of cable operators in Delhi. While the figures given by MSOs indicated that there were more than 3000 cable operators, the data given by 8 out of 10 Post offices in Delhi indicate that there are only 1186 registered cable Operators. She requested the MSOs to reconcile the figures and provide correct data to the Ministry.
- She informed that the Ministry proposes to collect data directly from MSOs and LCO in regard to the 4 Metro cities and for this purpose, a Notice would be shortly published in major dailies, whereby MSOs/LCOs would be advised to provide details in a prescribed format to BECIL.
- All the National level MSOs have already been requested by the Ministry through email to furnish information about the quality standards in respect of Set Top Boxes- both imported and indigenously procured-

and also the subscribers' grievances redressal mechanism put in place. This information was to be provided before this Meeting; however the same was still awaited from MSOs. She requested that it may be furnished immediately.

4. The representative of the MSO Alliance made the following points.

- The list of authorized cable operators would be sent to the Ministry shortly so that any discrepancy in this regard could be removed.
- The data on Set Top Boxes may be obtained from individual MSOs also.
- BECIL may upload the data on training so far conducted by them on their website.
- While seeding of Set Top Boxes is essential, it is to be noted that a certain lead time is required for tuning the Set Top Boxes with the concerned headend and also for stabilization of network operation so as to ensure that there is smooth transition to digital regime after 30.06.12. Thus, this point must be kept in view for the purpose of seeding of STBs.

5. The representative of COFI, Ms. Roop Sharma, brought out the following points.

- The radio jingles and TV spots should also indicate the details of payment to be made by consumer.

It was clarified by A.S. that once TRAI regulations are brought out, then only this point could be addressed.

- The public also needs to be informed whether Set Top Boxes are given free of cost or not.

It was clarified that the Government does not propose to provide STBs free of cost. In fact, STBs are not to be provided by the Government, but by MSOs.

- The proposals of certain operators for Project Import are pending in the Ministry and the same need to be expedited to enable the operators to adhere to the timeline.

It was clarified by AS and JS (B) that this point would be looked into.

- Ms. Roop Sharma stated that there was a regulation as per which a cable operator is to operate from a space of 20 sq. meter in a residential area, but DAS would require cable operators to expand space to meet the larger carriage demands of DAS. She wondered how Govt. can force cable operators to set up a larger shop when a cable operator is doing a viable business from a shop area according to his capacity.

It was clarified by AS that this point would be looked into in accordance with the existing legal position and the regulation of TRAI.

- She stated that a point was raised by her in the last meeting that Broadcasters were not willing to provide content to operators and this issue needs to be addressed.

AS clarified that this issue would be addressed based on the TRAI's Interconnect regulations.

6. The representative of CEAMA brought out the following points:

- The compliance with BIS standards in case of STBs is not mandatory at present but purely voluntary and no Govt. Agency is empowered to enforce compliance. In the next phases of DAS, when the gullible consumers from Indian hinterland would be covered, this issue would pose serious problems because they would not be aware of the specifications. This would have adverse impact and at that stage it would be difficult to put in place any compliance mechanism mid-way through the course of DAS. He stated that a strict compliance regime right from now is required to be put in place.

AS clarified that all the MSOs have already been asked to indicate the quality standards being followed by them and also consumer redressal mechanism. He also stated that TRAI regulations would also cover the quality and service issues and even Cable Rule would provide that STBs with approved specifications would only be installed.

- The indigenous manufacturers are at a disadvantage vis-à-vis imported STBs in view of local VAT. He stated that DTH operators and MSOs only pay service tax on the content provided and not on the usage of Set Top Boxes which is categorized as installation charge and as such, Form 'C' is not issued. Due to this, the cost of VAT devolves on STB manufactures and as a result, the landed cost of locally manufactured STB goes up. He requested that Form 'C' should be issued.

The representative of DTH operators clarified that they are in fact providing Form 'C'.

7. The representative of NBA stated that in the last meeting a point was raised whether STBs would be capable of accommodating the large number of channels available due to DAS, but this point was not covered in the minutes of the last meeting.

It was noted that the channel carrying capacity is not an issue relating to STB, but to Headends and as such, STBs would be carrying as many channels as accommodated by the concerned Headend.

8. The representative of Consumer Forum mentioned that in certain residential complexes, the footages of Close Circuit TV Camera installed for security purposes, are carried through cable. He enquired whether this

would be available in the DAS regime or this would violate any existing local provision.

It was clarified that this point would be considered keeping in view the existing legal position.

9. The representative of Consumer Forum mentioned that in the last meeting he had made a point that the DAS legislation had made it compulsory that every consumer would require a SRB to watch TV and this would entail cost. As such, the consumer should be given a lead time to make an informed decision in the matter. He stated that this point was not included in the meeting of the last meeting.

It was clarified that the public awareness campaign has been launched only for this purpose and once TRAI regulations are out, the details of subscription rates would also become known and, moreover, MSOs have already started a marketing exercise on the schemes for availability of STBs.

10. In the last, JS(B) made the following points.

- From the next meeting onwards, all stakeholders should also inform about the progress made by them at their end and if they have any suggestion, the same may be sent to the Ministry beforehand.
- CEAMA may provide details in regard to orders received by them from MSOs for procurement of STBs.
- If any awareness campaign has been undertaken by LCOs, the same may also be informed.
- BECIL may indicate details of training programme and the number of persons trained.

11. Thereafter, the meeting ended with thanks to all the participants.

MINUTES OF THE 8TH MEETING OF THE TASK FORCE ON
DIGITALIZATION OF CABLE TELEVISION NETWORKS HELD ON
01.05.2012.

8th Meeting of the task force in regard to implementation of Digital Addressable System in Cable Television networks was held on 01.05.2012 under the Chairmanship of Additional Secretary (I&B). The list of participate as per the attendance sheet is attached.

2. After a welcome address by Additional Secretary (I&B), a brief presentation was made by the Ministry on the main issues contained in the Cable Television Networks (Amendment) Regulation 2012 which were notified on 28.4.2012, from the point of view of MSOs, LCOs and consumers. The main points which were highlights are as under :-

3. Thereafter the other stakeholders were requested to bring out the position from their respective sights. The main points which emerged in this regard are as under :-

- ❖ The representative of MSO stated that he programme made by them was on track and they were confident of adhering to prescribed dates for Digital Addressable System.
- ❖ A points was raised by the representative of MSO that the definition of term “MSO” as include in the new rules limit the scope of multi-system operator (MSO) only within a notified area for a purpose of Digital Addressable System (DAS), whereas in all those areas where the date of implementation is still far of their status as MSO would now become non existing, as the new rules don not provide for MSO, in area where analogue cable would still be operated.

On a query by Additional Secretary (I&B) it was clarified by representative of MSO that prior to implementation of CAS System, MSOs, were requested to be registered as a Cable Operator with a post office and this system is still working in non CAS areas. However since the new rules define an MSO only from the angle of DAS, the status of existing MSOs in non CAS areas would not to be addressed.

It was decided that this point would be considered separately.

4. The representative of broadcasters stated that broadcasters had no issues with the new cable rules and they are still studying the regulation brought out by Telecom Regulatory Authority of India (TRAI) on 30.4.2012.

5. The representative of the broadcaster however mentioned that since broadcasters and other stakeholders have been given a time of one month each far entering into inter – se agreements among them, the requirement or details of agreement to be indicated at the time of seeking of registration by an MSO, may creates difficulty for the purpose of maintain timelines prescribed for Digital Addressable System (DAS).

6. Additional Secretary (I&B) explained that it is such eventuality that the provision of provisional registration has been incorporated in the cable rules. Additional Secretary emphasized that provisional registration is not to be interoperated as an instrument to facilitate registration even in the absence of the basic requisites, but would be resorted to in only those cases where certain conditions, like the timely availability of security clearance or availability of inter-connect agreements, are beyond the control of the applicant.
7. The representation of COFI raised the issue that the enhancement of fee in case of Multi-system Operators (MSOs) from existing Rs. 10,000 to Rs. 1,00,000 will put small independent MSOs to hardship and such small independent MSOs should not be clubbed with large national level MSOs who can well afford the enhanced fee.
8. The representative of CEAMA raised the issue of capability of Indian manufacturers to manufacture the required STBs and supply the same to MSOs. He stated that while in case of 1st phase, the action for procurement of required no. of STBs through import have mostly been completed, in case of the next phase the Indian manufacturers would be in a position to deliver STBs.
9. Additional Secretary requested the representative of CEAMA to explain if any of the Indian manufacturers have made in house research and development to be able to design and manufacture STBs with predominately Indian technology and to make actual deliveries to service provider. The representative of CEAMA stated that he would provide the information separately.
10. The representative of Consumer forum appreciated the provision in the cable rules regarding surrender of STBs and the issue of transfer voucher. He desired to know whether consumer would have to option to switch to a different service provider. It was clarified that rules clearly provide that if consumer is not satisfied with the services of a service provider, he would be free to opt out and surrender the STB. In that case the MSO would make the deduction based on the parameters already made known to subscriber.

**MINUTES OF THE 9th MEETING OF THE TASK FORCE ON
IMPLEMENTATION OF DIGITAL ADDRESSABLE CABLE TELEVISION
SYSTEM HELD ON 18.05.2012**

9th Meeting of the task force on implementation of Digital Addressable Cable Television System was held on 18.05.2012 under the Chairmanship of the Additional Secretary (B).

2. The chairman while welcoming the participants requested them to put forth their issues. The following main points emerged in the meeting:

- i. The issues raised by the representative of the MSO Alliance:
 - a. **Twin condition in Regulations issued by TRAI is not workable.** TRAI has been requested to look into this issue.

Chairman asked to send a copy of the same to the Ministry for reference.

- b. **Licence for the transitory period:** MSOs had obtained the licence in 2006 which was valid up to 2016 but it is learnt that the licence was for the specific area and a representative of the M/o I&B has asked them to apply for a fresh licence for other areas.

The chairman asked to send a reference to the Ministry which would be examined.

- c. **Must Carry:** What would be the limit? TRAI has been requested to look into this issue.
 - d. **A-la-carte provision for 500 channels** is technically not feasible. TRAI has been requested to look into this issue also. This was supported by the representatives of DTH Operators and the Broadcasters stating that it would affect the quality of service in view of large bandwidth required for control.

ii. The representative of the DTH Operators mentioned that the provision of three times the average cost of the bouquet in the tariff regulation issued by the TRAI is also not workable and TRAI has been requested to look into this issue.

iii. The representative of COFI submitted a letter pointing out a number of issues. Chairman assured to get these issues examined. She raised the following main issues:

- a. STBs being provided to consumers are being billed as Activation Charges by the MSOs. No receipt is also being given. Thus what would happen to the tax?
- b. Hon'ble MIB had assured that value added services would be provided to consumers through digital cable TV system.

Chairman clarified that mainly the vanilla STBs are being provided at this stage which are one way.

- c. Consumer redressal system has not yet been operationalized by MSOs.

Chairman asked to provide the same as per the TRAI regulation issued on 14th May 2012.

- d. LCOs are not getting the STBs from MSOs.

The Chairman pointed out the problem came to the notice of the Ministry has already been addressed.

- e. The provision of 45% of BST not viable for LCOs.

The chairman pointed out that this issue may be taken with TRAI.

- f. The remaining period of 45 days from the cut-off date of digitisation in the four metros is not sufficient to meet the target.

The chairman stated that our efforts to meet the target must continue.

The representative of the MSO Alliance pointed out that CAS is already operational in the Phase-I cities. Call centres are also operational here. Names of nodal officers, as per latest Regulations by TRAI, would be announced soon.

- iv. The representative of the DTH Operators requested Ministry to issue a letter to TRAI to set the sun set date for the Conditional Access tariff.

Chairman assured to get it issued.

- v. The representative of CEAMA pointed out that MyBox Technologies Pvt Ltd has got the orders from IMCL and WWIL for the supply of STBs being manufactured in India for cable TV system. He further pointed out that Videocon would also take up the manufacturing of STBs for cable system for the Phase II requirements.

The chairman advised MSOs and CEAMA to arrange visit of various stakeholders to the local production facilities of STBs.

3. While summing up, the chairman further suggested that:

- i. The copies of all the references, if any, made to TRAI may also be endorsed to the Ministry for reference.
- ii. NBA and IBF must mount public interest programmes to generate environment for DAS.

4. It was decided that the next meeting would be held on 1st June 2012 at 1530 hrs.

The meeting ended with vote of thanks to the chair