

**STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2018-19)**

56

SIXTEENTH LOK SABHA

MINISTRY OF INFORMATION AND BROADCASTING

**[Action Taken by the Government on the Observations/Recommendations of
the Committee contained in their Forty-Fourth Report
(Sixteenth Lok Sabha) on 'Status of Cable TV Digitization and Interoperability
of Set Top Boxes']**

FIFTY-SIXTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2018/Pausha, 1940 (Saka)

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'Status of Cable TV Digitization and Interoperability of Set Top Boxes']**

***Presented to Lok Sabha on 02.01.2019
Laid in Rajya Sabha on 02.01.2019***



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COMPOSITION OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2018-19)

Shri Anurag Singh Thakur - Chairperson

Lok Sabha

2. Shri Lal Krishna Advani
3. Shri Prasun Banerjee
4. Dr. Sunil Baliram Gaikwad
5. Shri Hemant Tukaram Godse
6. Shri Shyama Charan Gupta
7. Dr. Anupam Hazra
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9. Dr. J. Jayavardhan
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11. Shri Virender Kashyap
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22. Shri Raj Babbar
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29. Dr. Vinay P. Sahasrabuddhe
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31. Shri Binoy Viswam

Secretariat

- | | | | |
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| 1. | Shri Y.M. Kandpal | - | Director |
| 2. | Smt. Geeta Parmar | - | Deputy Secretary |
| 3. | Shri Sandip Prasad | - | Sr. Executive Assistant |

Committee constituted w.e.f. 1st September, 2018 *vide* Bulletin Part-II Para No. 7324 dated 18th September, 2018.

INTRODUCTION

I, the Chairperson, Standing Committee on Information Technology (2018-2019), having been authorised by the Committee, present this Fifty sixth Report on 'Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty fourth Report (Sixteenth Lok Sabha) on 'Status of Cable TV Digitization and Interoperability of Set Top Boxes' of the Ministry of Information and Broadcasting.

2. The Forty fourth Report was presented to Lok Sabha and also laid on the Table of Rajya Sabha on 29 December, 2017. The Ministry furnished their Action Taken Notes on the Observations/Recommendations contained in the Forty fourth Report on 17 July, 2018.

3. The Report was considered and adopted by the Committee at their sitting held on 28 December, 2018.

4. For facility of reference and convenience, Observations/Recommendations of the Committee have been printed in bold in Chapter-I of the Report.

5. An analysis of Action Taken by the Government on the Observations/Recommendations contained in the Forty-fourth Report of the Committee is given at Annexure-II.

**New Delhi;
28 December, 2018
07 Pausha, 1940(Saka)**

**ANURAG SINGH THAKUR,
Chairperson,
Standing Committee on
Information Technology.**

CHAPTER I

REPORT

This Report of the Standing Committee on Information Technology deals with action taken by Government on the Observations/Recommendations of the Committee contained in their Forty Fourth Report (Sixteenth Lok Sabha) on 'Status of Cable TV Digitization and Interoperability of Set Top Boxes' relating to the Ministry of Information and Broadcasting.

2. The Forty-Fourth Report was presented to Lok Sabha on the 29 December, 2017 and also laid in Rajya Sabha, the same day. It contained 24 Observations/Recommendations. Replies of the Government in respect of all the Observations/Recommendations have been received from the Ministry of Information and Broadcasting and are categorized as under:-

- (i) Recommendations/observations which have been accepted by the Government:-
Para Nos. 1,2,3,6,7,8,9,10,17,18,19,21,23 and 24

Total : 14
Chapter II

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies:-
Para No. 20

Total : 01
Chapter III

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:-
Para Nos. 4, 5, 11, 12, 15 and 22

Total : 06
Chapter IV

- (iv) Recommendations/Observations in respect of which final replies are still awaited:-
Para No. 13, 14 and 16

Total : 03
Chapter V

3. The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. The Committee further desire that Action Taken Notes in respect of the Observations/Recommendations contained in Chapter-I and Final Action Taken Reply in respect of the Observation/Recommendation contained in Chapter-V for which interim reply has been given by the Government be furnished to them at an early date.

4. The Committee will now deal with action taken by the Government on some of their recommendations.

Status of Digitisation in Chennai/TamilNadu

(Recommendation Sl. No. 4)

5. The Committee in their Report had noted with concern that only 33% digitisation was achieved in Tamil Nadu as the court had ordered not to disturb the analog signals of Arasu cable till a decision is taken by the Ministry of I&B on their application for MSO registration. Considering the court directive and to complete digitisation in Tamil Nadu, the Ministry had granted a provisional registration to Arasu cable on 17 April, 2017 against the TRAI recommendation not to allow Government entities to operate in the broadcasting and distribution sector. The Ministry also gave extension to Arasu cable first upto 17 July, 2017 and thereafter upto 17 August, 2017 for digitisation in Tamil Nadu. After the issue of registration to Arasu cable, the Ministry had received complaints from the registered MSOs and their LCOs in Tamil Nadu that they were being forced by Arasu cable to take signals only from them. Some of the complainants had

even moved to Chennai High Court. The Ministry then requested to the Chief Secretary of the State to look into the matter and to ensure that Arasu cable does not have monopoly. The Committee, had therefore, desired the Ministry to address effectively the issues raised in the complaints and apprise them of the decision so taken.

6. The Ministry of Information and Broadcasting in their action taken notes have submitted as under:

" After granting MSO registration to Arasu Cable in April, 2017, they have seeded about 14 lakh STBs in the Tamil Nadu State, as per MIS. The complaints received against Arasu have been forwarded to Chief Secy. (TN) with the request to look into these complaints and to ensure that Arasu Cable does not have monopoly and allows the others registered MSOs to continue to provide digital Cable TV services as they are already providing the same to meet the cut-off date of 31.03.2017."

7. The Committee are not satisfied with the oft-repeated submission of the Ministry of I & B that the complaints received from registered MSOs and LCOs against Arasu cable have been forwarded to Chief Secretary, Tamil Nadu for redressal. Taking note of the magnitude of the issues raised against Arasu Cable that some of the complainants had even moved to Chennai High Court, the Committee are of the considered opinion that matter being serious in nature needs urgent redressal as this goes against the principals of fair play and competition. The Committee are of utmost desire that the Ministry of Information and Broadcasting (MIB) should address urgently the issues raised by the registered MSOs and their LCOs against Arasu in Tamil Nadu by constantly pursuing the matter with Tamil Nadu Government authorities. The Committee would like to be informed of the findings of authorities

and action taken in the matter including action on MSOs still running their networks on analog signals as well as present status of digitisation in Tamil Nadu.

Digitisation in Rural and Remote Areas

(Recommendation Sl. No. 5)

8. The Committee had noted with concern that one of the challenges in achieving 100% digitization was non-availability of digital signals in some remote and inaccessible areas which constituted Phase IV of Cable TV digitization. In these areas there were no digital signals from registered MSOs as it was not cost effective to lay fibre optical cables to extend digital signals in remote areas. The cable operators had, therefore, been suggested either to set up their own digital Head End after taking MSO registration or take signals from HITS operators for further distribution. MIB had been requesting the nodal officers time and again to review the progress of digitisation with all the stakeholders and motivate the existing MSOs to extend services in remote areas. The Committee had desired that options such as allowing infrastructure sharing for cable distributor or providing necessary resources or subsidy to MSOs for making investment in rural areas for developing necessary infrastructure should be considered. Further, as consumer had a choice to go for private DTH/ DD Free Dish connection as they were not required to pay any monthly charge for the service, the Committee had recommended that the planned scheme of Doordarshan for distribution of DTH Set Top Boxes in remote, tribal, hilly and border areas should be continued and DD free Dish in the rural areas should be popularised by improving its content and rationalizing the costs in a better way.

9. The Ministry of Information and Broadcasting in their action taken notes have submitted as under:

" DD Free Dish platform has a rich bouquet of channels consisting of Doordarshan Channels, Parliamentary channels, General Entertainment, Movie, News, Music, Sports etc. making it a very popular and cost effective medium for source of information and entertainment. As per the industry estimates more than 22 million household are having DD Free Dish connection. MIB has recently issued an advisory to Prasar Bharati for formulation of policy on filling up of slots on DD Free Dish, which is under consideration. The distribution of DD Free Dish receive systems is part of the sanctioned Plan scheme. These receive systems are for distribution in remote, tribal, hilly, difficult terrain and border areas. STBs are handed over to the nodal officers appointed by the respective State Government for further distribution. So far 66,000 DD Free Dish receive systems have been distributed under various previous Plans. Further, a scheme of distribution of 30,000 DD Free Dish receive systems has been approved. Out of these, distribution plan of 11,200 DD Free Dish receive systems has already been approved for distribution in border and remote areas through Ministry of Home Affairs (MHA). For the rest of the DTH sets, Prasar Bharati will finalise its distribution plan and will hand over the sets to the respective state governments. "

10. The Committee are unhappy to note that MIB has not taken any action on their recommendation to look into the options for allowing infrastructure sharing for cable distributors or providing necessary resources or subsidy to MSOs for making investment in rural areas for developing necessary infrastructure, etc. The Committee, therefore, reiterate their earlier recommendation in this regard.

11. The Committee further note that Ministry of IB has issued an advisory to Prasar Bharati for formulation of Policy on filling up of slots on DD Free Dish and the same is under consideration. The Committee would like to be updated in this regard.

12. The Committee have been informed that about 66000 DTH/DD Free Dish sets have been distributed under various previous plans. Out of the approved scheme of

30,000 DD Free Dish sets, 11200 DD free dish receive system has already been approved for border and remote areas and for remaining 18800 sets, Prasar Bharati will finalise its distribution plan. The Committee would like to reiterate that in order to make available DD Free Dish in remote and hilly areas, DD free Dish should be popularised by improving its content and rationalizing the costs in a better way and would like to be informed of steps being taken in this regard. The Committee also call upon the Government to take every required steps to ensure that benefits of Cable TV digitization are available all over the Country including rural and remote areas and that the services remain within the reach of common man living in such areas.

Concerns of stakeholders in the Broadcasting Industry/New Regulatory Framework by TRAI

(Recommendations at Sl. Nos. 6,7,8,9 &10)

13. The Committee had observed in their earlier Report that the cable TV services value chain which comprised of four main supply side entities i.e. Broadcaster, Multi System Operator (MSO), Local Cable Operator (LCO) and the end consumer had their own issues like Broadcasters were concerned on 'concerning payment of Carriage fee to DPOs, non-availability of subscriber data and lack of addressability, subscription fee and freedom for pricing of channels etc. The MSOs had issues relating to Inter-connect agreements, non-transparent pricing of channels, tendency of broadcasters to offer bouquets rather than individual channels, discrimination between MSOs for providing content and high pricing of channels by the Broadcasters etc. The local cable operators were not satisfied by the fall back arrangement specified by TRAI for interconnection agreement with MSOs and are unwilling to share subscriber data with MSOs and the

consumers had been forced with channels in Bouquets instead of choice of a-la-carte channels and many other related issues. The Committee had noted with some satisfaction that TRAI had notified a new Regulatory Framework on 3 March, 2017 consisting of Tariff Order, Interconnection Regulation, Quality of Service and Consumer Protection Regulations to address the concerns of the consumers and other stakeholders and these revised Regulations had the flexibility to Broadcasters to price the channel on a-la-carte basis, network capacity fee for DPOs, Interconnection Agreements to be on the basis of RIO, cap on carriage fee charged by DPO, mandatory display of MRP of channels, transparent declaration of information on choice of channels, price, terms of subscriptions, provisioning of STBs, mandatory offering of all channels on monthly subscription basis etc. However, the Committee were concerned to note that some Broadcasters had challenged the new Regulatory Framework in High Court of Madras on jurisdictional issue and some DTH operators have challenged it in the High Court of Delhi. The Committee had hoped that the new regulatory framework would address the concerns of consumers and stakeholders to a great extent and recommended that efforts should be made for early listing of the cases so that concerns of all the stakeholders are addressed in a fair and transparent manner.

14. The Ministry of Information and Broadcasting in their action taken notes have stated as under:

“ Hon’ble Madras High Court on 23.5.2018 passed judgement in favour of TRAI’s tariff order and interconnection regulation for the broadcasting sector. TRAI is likely to issue Notification in the matter. ”

15. The Committee note with satisfaction that Hon’ble Madras High Court on 23.5.2018 have passed judgement in favour of TRAI’s tariff order and interconnection regulation for the broadcasting sector. The Committee are hopeful that now all the

four entities i.e. Broadcaster, Multi System Operator (MSO), Local Cable Operator (LCO) and the end consumer will find an amicable solution to their issues in the effective implementation of the Cable TV digitization in the country. The Committee will like to be informed of the status with regard to TRAI's notification in the matter and progress of Cable TV digitization in the country.

Advertisement Revenue vs. Subscription Revenue and Regulation of Advertisement

(Recommendation at Sl. No. 11)

16. The Committee had noted that in the post digitization era, the percentage of advertisement revenue of the TV industry as per Industry Report had remained static in the range of 33-35% of the total revenue of TV industry and therefore there was no noticeable shift from advertising revenue to subscription revenue. Further, as per Rule 7 of the Cable Rules, no programme telecast in Pay Channel or Free to Air (FTA) Channel should carry advertisement exceeding 12 minutes per hour which may include up to 10 minutes for commercial advertising and up to 2 minutes for self-promotional programmes, however, both the FTA as well as the pay channels were not following the said rules subjecting consumers to frequent advertisements during the programmes. Also TRAI had brought out detailed Regulations on the issue but the matter was reported to be sub-judice. The Committee had recommended to the MIB to take steps in order to regulate the permissible duration and frequency of advertisements during a programme. They had further desired ensure that advertisements which were being run in scroll ticker did not cover more than 10% of the TV screen space and thus maintain the aesthetic sense of the programmes. Further, there should not be any vertical display (running or static) of advertisement on TV screen by any TV channel.

17. The Ministry of Information and Broadcasting in their action taken notes have stated as under:

“ Rule 7(11) enshrined in The Cable Television Networks Rules, 1994 stipulates that no programme shall carry advertisement exceeding twelve minutes per hour, which may include up to ten minutes per hour of commercial advertisements, and up to two minutes per hour of a channel’s self-promotional programmes. Telecom Regulatory Authority of India (TRAI) had notified the regulations namely “Standards of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations, 2012 and subsequent amendment dated 22.03.2013. Some of the broadcasters filed an appeal in the High Court of Delhi challenging the said regulations. The Hon’ble High Court has passed an interim order on 17.12.2013 restricting TRAI from taking any coercive measure against the petitioners or their members to make them abide by the impugned Regulations. There are about 17 similar matters which have been tagged along with the above Writ Petition against TRAI. Ministry of I&B is also a party in the tagged case.

As such, Ministry of Information and Broadcasting cannot take any coercive action against the broadcasters. The matter relating to 12 minutes per hour advertisement cap on broadcasting TV channels is unresolved and the Government has decided to await the directions of the Hon’ble Court in this regard.”

18. The Committee note that certain broadcasters have filed an appeal in the High Court of Delhi challenging the TRAI regulations namely “Standards of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations, 2012 and subsequent amendment dated 22.03.2013. The Hon’ble High Court has then passed an interim order on 17.12.2013 restricting TRAI from taking any coercive measure against the petitioners or their members to make them abide by the impugned Regulations. As such, the matter relating to 12 minutes per hour advertisement cap on broadcasting TV channels is unresolved

and the Government has decided to await the directions of the Hon'ble Court in this regard. The Committee would like to be apprised of the decision taken by the High Court and also action taken on the same.

19. The Committee further find that the reply of the Ministry is silent on their another recommendation to ensure that advertisements which were being run in scroll ticker did not cover more than 10% of the TV screen space and thus maintain the aesthetic sense of the programmes and further there should not be any vertical display (running or static) of advertisement on TV screen by any TV channel. The Committee wonder if the issue not connected with the advertisement capping can be dealt with administratively and would like to be informed of action in the matter.

Transparency, Quality of Service and Consumer Grievance Redressal System

(Recommendation at Sl. No. 12)

20. The Committee had observed that though TRAI had mandated for every MSO/LCO to have a Toll Free helpline and a website for logging of complaints and also to nominate a Nodal Officer whom the subscribers could approach in case of non-redressal of their complaints besides specifying a timeframe for redressal of the complaints, most of the MSOs/LCOs were not doing that. No computerized bills were provided to the consumers and complaint redressal mechanism was also not activated. Though several grievance redressal avenues were available to the consumers, most of those were either non-operational or quite ineffective in providing the desired relief. Therefore, it was proposed to set up a Centralized Monitoring Mechanism to be linked

to cable network through internet and would have access to the Grievance Redressal System of MSOs. This system would have information on number of subscribers, channels being carried by MSOs/LCOs, subscription charge and GST paid by subscribers, etc. and would thus take action against the defaulters in case of non redressal of the complaints. C-DAC and the C-DoT had been asked to suggest low cost solutions for this system. The Committee had recommended for early roll out of the Centralized Monitoring Mechanism and to work out with the stake holders to link subscription charges to a central account and releasing the same to cable operator, subject to their resolution of complaints, as suggested by the Ministry. If required, necessary amendments in the Cable Rules should be made to make it effective.

21. In their Action Taken Reply, the Ministry of Information and Broadcasting have submitted as under:

“ To ensure Service Quality and Consumer protection, TRAI has also notified Quality of Service and Consumer Protection Regulation dated 3rd March, 2017 that provides norms for service providers to be adhered by them. The said regulation is also sub-judice before the Hon’ble High Court of Delhi. However, the Consumer Complaint Redressal Regulation notified by the Authority in 2012 is in force. Any violation of the provisions of these regulations is dealt as per the provisions of TRAI Act.

As recommended by the Committee regarding Centralized Monitoring System, it may be mentioned that, such type of system may require networking and linking of existing consumer Grievance Redressal System of MSOs to the Centralized computerised Monitoring System. For this Centralized Monitoring System will require MSO to provide access to their respective consumer Grievance Redressal System. This may require further discussion with the stakeholders.

However, the Ministry has asked BECIL, a PSU under the Ministry, to take necessary action for establishment of Central Monitoring System in consultation with C-DOT and C-DAC to develop a low cost viable solution to address the issue. ”

22. The Committee note that TRAI has notified Quality of Service and Consumer Protection Regulation dated 3 March, 2017 to ensure Service Quality and Consumer

protection that provides norms for service providers to be adhered by them, however, the said regulation is sub-judice before the Hon'ble High Court of Delhi. The Committee desire that the matter should be pursued vigorously for early listing of the case in the Court to save the interest of the consumers. They would like to be updated in this regard.

23. The Committee regret to note that no progress has so far been made to set up a Centralized Computerised Monitoring System (CMS) and the matter is still at a conceptual stage. As informed, such type of system may require networking and linking of existing consumer Grievance Redressal System of MSOs to the CMS and for this CMS will require MSO to provide access to their respective consumer Grievance Redressal System which may require further discussion with the stakeholders. It is evident from the reply that nothing concrete has been done in this direction. The Committee while feeling the need for such a system to bring efficiency and transparency in the system would stress upon the Ministry to give due importance to this matter and take all necessary steps for expeditious and effective roll out of the Centralized Computerised Monitoring System.

Infrastructure Status to Broadcasting Industry

(Recommendation at Sl. No.15)

24. The Committee were concerned to note that though the National Telecom Policy, 1999, mentioned use of Cable TV networks for broadband penetration and subsequently TRAI recommended for the same, no practical steps were taken in this regard. The Ministry of Information and Broadcasting had made a proposal for grant of

fiscal incentives/duty concessions to the broadcasting industry to facilitate time-bound transition of analog Cable TV services to Digital, which also included grant of infrastructure status to the broadcasting industry, reduction of basic custom duty on digital Head-ends and STBs and rationalization of Taxes on the Broadcasting & distribution Sector. The same was discussed in the meeting of the Committee of Secretaries held on 10.2.2012, however, was not agreed to. The Ministry of Information and Broadcasting, of late in 2017, had again moved this proposal to Department of Economic Affairs (DEA), Ministry of Finance, which was discussed on 20 Feb, 2017, in the 12th meeting of the Institutional Mechanism (IM) on the Harmonized Master List of Infrastructure, where Ministry of Information and Broadcasting was asked to submit a revised proposal. The Committee had deprecated the delays on the part of Ministry in making a fresh proposal late in 2017 on the issue of granting the infrastructure status to the Broadcasting Industry. As granting infrastructure status to the broadcasting industry would facilitate digitisation in a big way, the Committee had recommended to the Ministry of Information and Broadcasting to submit the revised proposal in this regard expeditiously.

25. In their Action Taken Reply, the Ministry of Information and Broadcasting have submitted as under:

“ This Ministry forwarded the request of various stakeholders for grant of infrastructure status to broadcasting industry to Ministry of Finance on 02.11.2015 for consideration during formulation of Budget 2016-17. This Ministry on 28.01.2016 forwarded a comparative chart of characteristics of infrastructure and justification of Broadcasting Industry to Ministry of Finance for grant of infrastructure status. Ministry of Finance vide OM dated 26.07.2016 informed this Ministry that the proposal of Indian Broadcasting Foundation (IBF) submitted by the Ministry for grant of Infrastructure status to Broadcasting Industry was circulated to Institutional Mechanism (IM) members for seeking their comments/ views and upon receipt from IM members, the issue will be considered. The meeting of the Institutional Mechanism on Harmonized Master List of Infrastructure Sub-sectors was held on 20.02.2017. The agenda of the meeting

included “Inclusion of Broadcasting Industry in the Master List of Infrastructure Sub-sectors”. The IM recommended that inclusion of “Broadcasting Industry” in Harmonized Master List of infrastructure sub-sector cannot be considered as presented. M/o Information & Broadcasting may submit a revised proposal identifying specific items that qualify for inclusion as ‘Infrastructure’.”

26. The Committee note that the Ministry of Information and Broadcasting proposal for inclusion of Broadcasting Industry in the Master List of Infrastructure Sub-sectors was included in the agenda of the meeting of the Institutional Mechanism(IM) on Harmonized Master List of Infrastructure Sub-sectors held on 20.02.2017. The IM recommended that inclusion of “Broadcasting Industry” in Harmonized Master List of infrastructure sub-sector cannot be considered as presented. The Committee are deeply concerned to note that even after of lapse of about 1 year and 10 months, the Ministry have not prepared the revised proposal. Expressing displeasure over the inordinate delay in preparing the revised proposal and in view of the imperatives involved in granting infrastructure to the Broadcasting Industry, the Committee impress upon the Ministry of I & B to prepare the required proposal without any further delays and place it before IM. The Committee may be informed of progress made.

Interoperability of STBs

(Recommendations at Sl. Nos. 19)

27. The Committee in their earlier Report had noted that an STB had been tied to a specific operator and could not be used interchangeably across different service providers. STB interoperability would empower the consumers to change their Cable TV

(or DTH) service providers whenever required, without changing their STBs. TRAI had been working on interoperability of STBs with C-DOT and IIT, Mumbai to work out an acceptable solution and in order to ensure commercial interoperability, TRAI had notified tariff orders for cable TV service provided through DASs and DTH service which provide an easy exit option to subscribers, ensure availability of consumer-premises-equipment (CPE-that primarily consists of STB and Dish antenna) at reasonable prices, easy to understand terms and conditions and, at the same time, protect the interests of the service providers. These Tariff Orders prescribed standard tariff packages for making available a CPE/STB to the consumers in addition to and not to the exclusion of other rental schemes, hire purchase schemes or outright purchase schemes offered by the DTH operator/MSO. In essence, these tariff orders provided for commercial interoperability. Those tariff orders, however, applicable for DTH services, were challenged by a couple of DTH operators in the TDSAT and the matter was subjudice before Hon'ble TDSAT. While appreciating the efforts of the Ministry and TRAI in achieving interoperability of STBs in the interest of the Consumers, the Committee had recommended to take urgent steps to achieve interoperability of the Set Top Boxes in a definite time-frame.

28. The Ministry of Information and Broadcasting in their action taken reply have stated as under:

“ Report gives a positive outlook on the efforts carried out by TRAI/CDOT for achieving interoperability while on the contrary, the Ministry has been discussing the issue with BECIL that due to present eco-system of digitization and efforts involved in managing the complexity involved in this task, there is need to arbitrate on the topic of interoperability and come-up with clear approach; topic has been open for several years without clear planning and approach to achieve the goal.

From technical perspective interoperability requirements need to be detailed out due to its huge impact at all the levels of implementation and to the entire eco-system including OEMs and distribution system starting from

head-end. Current implementation is too much OEM specific while interoperability shall need major changes to harmonize the implementation of various components in software and security. Also, it is not clear what will happen with existing boxes deployed in field. Operating system/Middleware and EPG, boot loaders are specific to chip vendors and OEMs and it allows the updating of STB software by specific operators after proper verification. Operators due to concerns of piracy make STB tightly coupled by integrating.

In view of above, it may be stated that presently, the interoperability of Set Top Boxes in Cable Section is not viable. ”

29. The Committee are made to understand that from technical perspective, interoperability requirements need to be detailed out due to its huge impact at all levels of implementation and to the entire eco-system including Original Equipment Manufacturers (OEMs) and presently, the interoperability of Set Top Boxes in Cable Section is not viable. However, keeping in view the interest of the end consumers, the Committee are of utmost desire that TRAI efforts with C-DOT and IIT, Mumbai until now on interoperability of STBs should not go in vain and hope that the Ministry of I & B would move a step further towards STB interoperability.

Quality of Set Top Boxes

(Recommendations at Sl. No. 22)

30. The Committee in their Report had noted that TRAI had been emphasizing the use of high quality BIS compliant STBs for cable TV networks and taken up the issue with different MSOs from time to time where compliances were taken from MSO, certifying the use of BIS compliant STBs only. Further, as per Section 9 of The Cable Television Networks (Regulation) Act, it was obligatory for every cable operator to use only BIS compliant STBs and under Section 11, authorised officers were given powers to seize the equipment of the operators in case of detection of non-BIS compliant STBs. MeitY had mandated that all the STBs should meet the safety standards and had also outlined a

procedure for Testing/Certification of the STBs before import. The Committee had recommended that in order to ensure supply of good quality STBs and to effectively detect the non-BIS compliant STBs, customers should be educated on how to check the BIS-compliance of the STBs along with the details of the authorized officers whom they could report non-compliance of BIS. Steps should also be taken to make provision for some independent laboratories/facilities where the customers could get their STBs tested for quality compliance at a nominal fee and thereafter report any lack of compliance to the authorized officers in order to empower the customers while instilling a sense of fear amongst the operators for providing poor quality non-BIS compliant STBs.

31. The Ministry of Information and Broadcasting in their action taken reply have stated as under:

" There is no strong compliance standard/ procedure imposed by BIS to ensure the quality of STBs, presently BIS mandates need of only safety testing and certificate. Due to technology evolution and growth of eco-system in the field of STB design/manufacturing it is desired that specifications for Safety (IS13252), Electromagnetic interference (EMI) and electromagnetic compatibility (EMC) (IS 6873-Part3) and Restriction of Hazardous Substances (RoHS) compliance need to be improved and many of the requirements should be mandated for OEMs of Set Top boxes to regulate the quality of devices.

Over last one decade, India has made significant growth in this sector in terms of indigenous manufacturing, adapting standards, test and measurement labs so it is right time to impose reasonable certification requirements to manage the quality of boxes including the poor quality of huge number of imported boxes. Putting strong compliance framework shall boost the local manufacturing of STBs. "

32. The Committee are disappointed by the vague response of the Ministry on their observation/recommendation. The Committee are aware there is no strong compliance standard/ procedure imposed by BIS to ensure the quality of STBs. This is precisely for the same reason that the Committee had recommended to make arrangements for educating the customers so that they themselves could check

the non BIS-compliant STBs and ensure supply of good quality STBs. Further, details of the authorized officers should be made available to the customers for reporting cases of supply of non-compliant BIS. It was desired that steps should also taken to make provision for some independent laboratories/facilities where the customers could get their STBs tested for quality compliance at a nominal fee and thereafter report any lack of compliance in this regard. The Committee, while reiterating their earlier recommendation would like to know the specific action taken by the Ministry to their recommendation for putting a strong compliance framework in supply of STBs.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Introductory.

(Recommendation Sl. No.1)

The Committee note that cable TV forms the backbone of the broadcasting distribution industry and has played a prominent role in the growth of the electronic media sector in the past 20 years. Despite the fast growth of the DTH services, cable services continue to dominate the distribution of TV channels as of today. Out of 181 million TV homes, 93 million (51.1%) homes have cable TV. However, the analog cable TV had been afflicted with certain inherent drawbacks as it can carry only 70-80 channels, it does not have technical feature of facilitating a-la-carte (individual) selection of channels, lacks transparency due to inaccurate subscriber base resulting in underreporting of subscription revenue and concealment of tax revenues, have poor picture quality besides severe competition from Direct to Home (DTH) and Internet Protocol TV (IPTV) services etc. Recognizing the inherent drawbacks in the analog cable TV system, TRAI on 5th August, 2010 gave its recommendations to the Central Government for implementation of Digital Addressable Cable TV Systems (DAS) across the country along with a roadmap to achieve the same. The Telecom Regulatory Authority of India (TRAI) had also recommended a timeframe comprising four phases for switch over from analog systems to DAS in the cable TV sector. The

Union Cabinet on 13th October, 2010 approved the proposal of the Ministry of I&B for mandatory introduction of DAS in the cable TV services which inter alia covered a timeframe and roadmap for implementation of digitisation with addressability on a pan India basis in cable TV services leading to a complete switch off of analog TV services by 31st December, 2014. The Cabinet also approved certain amendments in the Cable TV Network Regulation Act, 1995 which came into force with effect from 31st December, 2011. On 28th April, 2012, the Government notified the Cable Television Network (Amendment) Rules, 2012 paving the way for cable TV digitisation. The Ministry of I&B in their Notification 68 dated 11th November, 2011 laid down a four phase schedule for digitisation of cable TV networks in India. In the opinion of the Committee this was a necessary policy initiative on the part of the Government which would go a long way benefitting all the stakeholders in the cable TV industry with its successful implementation. In the succeeding paras, the Committee review the progress of implementation of DAS in the cable TV system along with challenges which need to be addressed by the administrative Ministry and the sector regulator.

Reply of the Government

It is observed that the first paragraph is Introductory in nature and carries no recommendation. Hence, it require no reply from MIB.

Progress of Implementation of Cable TV Digitisation

(Recommendation Sl. No.2)

As per Notification dated 11th November, 2011 the digitisation process was to be implemented in four phases with the objective of complete switch off of analog TV services by 31.12.2014. Phase I digitisation covering Metro Cities of Delhi, Mumbai, Kolkata and Chennai was originally slated for 30th June, 2012 which was subsequently modified to 31st October, 2012. Phase II digitisation covering 38 cities (with population more than one million) was planned to be completed by 31st March, 2013. Phase III covering all other urban areas (Municipal Corporations/Municipalities) was originally slated for 30th September, 2014 which was subsequently extended up to 31st January, 2017. Phase IV digitisation covering rest of India was originally slated for 31st December, 2014 which was subsequently extended up to 31st March, 2017. Digitisation of cable TV in all the cities in Phase I & Phase II areas is complete except for Chennai in Phase I and Coimbatore in Phase II. As regards Phase III and IV, about 75% digitisation has been achieved excluding Tamil Nadu. Digitisation in Tamilnadu could not be achieved due to court order not to disturb the analog signals of Arasu cable till a decision was taken by the Ministry on their application for MSO registration. The Committee observe that apart from the difficulties in the State of Tamilnadu (which is discussed in the subsequent paragraph), the process of digitisation has witnessed significant delays particularly during the last two phases of its implementation i.e. Phase III and Phase IV. According to the Ministry, the progress of digitisation in these two phases was affected due to the stay/extension granted by some High Courts in a large number of court cases filed in different High Courts. The Committee have been informed that after the Ministry moved to the Supreme Court all these cases were transferred to Delhi High Court which disposed off the cases by first week of December 2016 after a lapse of considerable time. The court had given time of three weeks to the petitioners to switch over to digital. However, to avoid inconvenience to the consumers who had not taken STBs because of

court cases, the Ministry had allowed time upto 31st January, 2017 for Phase 111 areas and the cut off date of Phase IV was modified to 31st March, 2017. The Committee are given to understand that a number of MSOs delayed the registration with the impression of getting further extension from the Ministry after 31st March, 2017 which also delayed the digitisation process. In the 21st Task Force meeting held on 14th March, 2017, it was unanimously decided not to extend the cut off date of Phase IV as it will send wrong signals and it will amount to a great disincentive to the operators who acted well in time and made investments to meet the target. Chairman, TRAI was also against any further extension. Therefore, with the approval of Minister of MB, it was decided not to extend the cut off date of Phase IV. On the cut off date of 31st March, 2017, the progress of digitisation was 70% (excluding Tamilnadu). The Committee have been informed that cable TV digitisation has been mandated throughout the country from 1st April, 2017. The Ministry on 30th March, 2017 issued a Circular directing all the Broadcasters, MSOs, LCOs to ensure that no analog signals are transmitted over the cable networks after 31st March, 2017 failing which action would be taken against the defaulters as per the provision in the cable TV Act/Rules. From the foregoing it is evident that digitisation has not only been delayed . but would take longer time for complete-sWitch off of analog TV services in the country. About the steps taken for achieving 100% digitisation after the cut off dates, the Ministry have stated that they have issued an Advisory to 41 the Authorized Officers of States/UTs, Chief Secretaries of States/UTs and Ada' Officers of States/UTs to ensure that no analog signals are transmitted by cable operators. Authorized Officers are now responsible to ensure that the operators carry only digital encrypted signals and meet all the conditions of cable Act/Rules and TRAI Regulations/Orders. From the above submission of the Ministry which was also reiterated in evidence, it appears as if with the legal deadline for digitisation getting over, the Ministry now do not have any role to play in digitisation and it is now the Authorized Officers and TRAI who are responsible for the unfinished

task. However, from the complaints received after the issue of Directions, it is evident that Authorized Officers have failed in discharge of their duties to take forward the process of digitisation and check illegal practices by MSO operators. The Committee are of the considered view that the Ministry cannot absolve themselves from the responsibility since it is the Ministry of I&B which being the administrative Ministry have to oversee the overall implementation. The Committee, therefore, recommend that an accountable monitoring mechanism be put in place at the central level at once to coordinate with the Authorized Officers for tracking the violations by the operators and also to hold periodic meetings with the concerned to ensure that the mandated digitisation in the Cable TV services is enforced.

Reply of the Government

The Ministry developed a Management Information System (MIS) portal wherein all the registered MSOs are mandatorily required to feed the number of Set Top Boxes they have installed in the premises of subscribers. The seeding status of STBs on MIS is constantly monitored by the Ministry through its 12 regional units across the country. The team of 12 regional units regularly interact/liaise with MSOs as well as Nodal Officer of the concerned District of the State. Chief Secretaries of the States/UTs have also been requested to direct the State Govt. Official in this regard. With the concerted efforts, it would be seen that 90% seeding of STBs have been taken place so far.

MSO Registration and Seeding of data in the Management Information System (MIS)

(Recommendation Sl. No.3)

The Committee note that the Ministry of I&B have developed a Management Information System (MIS) for each of the registered MSOs, DTH & HITS operators to enter STB seeding status. For this, every registered MSO has been provided user ID and

Password. As on 09.11.2017, out of 1471 registered MSOs, 952 MSOs have started entering data in MIS. Out of the remaining 519 MSOs, Show-cause Notices have been issued to 307 MSOs in the first round who are registered licensee for more than one year. In the second round upto March, 2017, Notices have been issued to 149 MSOs. It is a matter-of grave concern that while MIS has been activated and operationalized to gather information on MSOs seedingstatus, many MSOs are not seeding the data to the MIS database as per requirement. Unless the MSOs seed the data regarding subscriber information and other prescribed information, there will be no transparency and accountability of the stakeholders. Therefore, the Committee recommend the Ministry to persuade the MSOs to complete seeding of data in the MIS at the earliest and to ensure proper agreements between MSOs and Broadcasters in this regard. The Committee may be apprised about the action taken against the defaulting MSOs including cancellation of their registration, etc. for not seeding the data in MIS.

Reply of the Government

As per MIS report, 427 MSOs are showing poor/zero seeding of STBs. Ministry has written to the Chief Secretaries with a request to review the progress of seeding of STBs in the State, particularly in the areas where low seeding has been reported. Further, State Govts. have also been requested to issue instructions to the DMs/SDMs/CPs not just to carry out inspection of MSOs but also take strict action, as per the provisions in the Cable TV Act so that MSOs don't carry analog signals and report actual number of STBs installed. Further, the team of 12 regional units under Mission Digitization Scheme visit the premises of the registered MSOs who have not seeded the data in MIS Portal and submit reports to the Ministry for further action. Action against defaulter MSOs including cancellation of their registration will be taken as per the provisions of the CTN Act/Rules.

Concerns of stakeholders in the Broadcasting Industry

(Recommendation Sl. No.6)

The Committee note that the cable TV services value chain comprises four main supply side entities i.e. broadcaster, Multi System Operator (MSO), Local Cable Operator (LCO) and the end consumer. The Ministry had constituted a Task Force with representatives from various stakeholders such as Broadcasters, MSOs, LCOs, DTH Operators, domestic STB manufacturers, State Nodal Officers, Consumer Forums, FICCI, CII, TRAI and other Government organisations such as BIS, MeitY, DoT, Prasar Bharat' etc. The meetings of the Task Force were held to steer the process of implementation of cable TV digitisation in Phase III and Phase IV. The Task Force used to meet regularly on monthly basis to review the progress. In Phase I 20 meetings, in Phase II 6 and in Phase III and IV 21 meetings were held. Though the Ministry and the regulator have stated that the issues/concerns raised by various stakeholders were invariably discussed in these Task Force meetings and efforts were made to accommodate their demands and address the concerns, the Committee find that there are many issues lingering post digitisation which need to be resolved. The Broadcasters have highlighted issues 'concerning payment of Carriage fee to DPOs, non-availability of subscriber data and lack of addressability, subscription fee and freedom for pricing of channels etc. The MSOs have issues relating to Inter-connect agreements, non-transparent pricing of channels, tendency of broadcasters to offer bouquets rather than individual channels, discrimination between MSOs for providing content and high pricing of channels by the Broadcasters etc. The local cable operators are not satisfied by the fall back arrangement specified by TRAI for interconnection agreement with MSOs and are unwilling to share subscriber data with MSOs. The consumers are still being forced with channels in Bouquets instead of choice of a-la-carte channels and itemised bills for the

service including tax details and content cost are not being provided by LCOs. Their problems range from abrupt stoppage of services and/or channels by cable operators without any notice, no fixed price of-STBs- different operators continue to charge different rates, non-filling up of Consumer Application Form (CAF) by LCOs, complete lack of consumer grievances redressal mechanism such as tell-free number, web-site etc. for logging of complaints and their resolution.'The Committee are given to understand that once new regulatory framework consisting of Tariff Order, Interconnection Regulation and Quality of Service and Consumer Protection regulations comes into force, it will address the concerns of the stakeholders. The Committee further note that besides the above issues relating to Cable TV Digitisation, stakeholders have also raised certain issues which relate to the broadcasting industry as a whole viz. industry status to broadcasting sector, 8% AGR for providing broadband via cable, level playing field for small players, lack of access to formal/institutional credit interoperability of Set Top Boxes, etc. Some of these issues are already under consideration of Government. The Committee recommend the Ministry/TRAI to take note of the submission of the stakeholders and take steps on actionable points suggested without compromising with the legitimate rights of consumers. This will not only raise the confidence of the stakeholders but also provide a conducive eco-system for intended digitisation of the Cable industry and the benefit of the broadcasting sector as a whole.

Reply of the Government

TRAI has notified a comprehensive regulatory framework on 3rd March, 2017 comprising of Tariff Order, Interconnection Regulation and Quality of Service Regulations to address the concerns of Broadcasters, Multi System Operators and Local Cable Operators and to provide them a level playing field. The framework provides a greater flexibility to the subscribers, so that they can select their channels/services as per their needs. The

Standing Committee has recognized that the new regulatory framework would address the concerns of the stakeholders and consumers. The revised TRAI's regulations will take care of most of the issues of all the Stakeholders (Broadcasters, MSOs, LCOs and consumers). The matter was challenged before Hon'ble Madras High Court. Hon'ble High Court vide Order dated 23.5.2018 has upheld the TRAI's tariff order and interconnection regulation for the broadcasting sector. TRAI is likely to issue Notification in the matter.

**Comments of the Committee
(Please see Para No. 15 of Chapter-I)**

New Regulatory Framework by TRAI

(Recommendation Sl. No.7)

The Committee note that TRAI being the regulator for the broadcast services had notified a comprehensive regulatory framework for implementation of DAS consisting of Tariff Order, Interconnection Regulations, Quality of Services Regulations and Consumer Grievance Redressal Regulations on 28th April, 2012. As digitisation progressed, a need was felt to have a relook at the existing regulatory framework in order to meet the expectation of various stakeholders. Accordingly, TRAI has notified a new Regulatory Framework on 3rd March, 2017 consisting of Tariff Order, Interconnection Regulation, Quality of Service and Consumer Protection Regulations to address the concerns of the consumers and other stakeholders. The new regulatory framework aims at bringing uniform regulations for all addressable systems including DAS. Emphasizing the importance of these new Regulations, the Chairman, TRAI had stated during evidence that TRAI's Regulations, Notifications, Guidelines and Orders are guided by four over arching principles i.e. non-discrimination, level playing field among players, customer protection and growth of the sector as a whole. The latest Regulation is also guided by these principles. Some of the salient features of the revised Regulations are flexibility to Broadcasters to price the channel on a-la-carte basis, network capacity fee for DPOi,

Interconnection Agreements to be on the basis of RIO, cap on carriage fee charged by DPO, mandatory display of MRP of channels, transparent declaration of information on choice of channels, price, terms of subscriptions, provisioning of STBs, mandatory offering of all channels on monthly subscription basis etc. With the introduction of the new framework, it is expected that the needs of the consumer will be fulfilled and it will provide adequate opportunity to all stakeholders for business ingenuity and offering their services. The Committee are, however, concerned to note that some Broadcasters have challenged the new Regulatory Framework in High Court of Madras on jurisdictional issue and some DTH operators have challenged it in the High Court of Delhi. The matter is sub judice and at presently under judicial scrutiny. Looking at the new features inbuilt in the new regulatory framework, the Committee are hopeful that it is definitely going to address the concerns of consumers and stakeholders to a great extent. The Committee, therefore, recommend that efforts be made for persuading the Court for early hearing of these cases so that the uncertainty relating to the regulations are not allowed to continue for long and concerns of the stakeholders and consumers at large are addressed in a fair and transparent manner.

Reply of the Government

Hon'ble Madras High Court on 23.5.2018 passed judgement in favour of TRAI's tariff order and interconnection regulation for the broadcasting sector. TRAI is likely to issue Notification in the matter.

Comments of the Committee (Please see Para No. 15 of Chapter-I)

Choice of a-la-carte Selection of Channels by Consumers

(Recommendation Sl. No.8)

The Committee note that one of the major benefits of digitisation was stated to be empowering consumers to exercise a-la-carte for individual selection of channels so that they will pay only for what they decide to watch but the ground reality is entirely different. The Cable operators Federation of India (COFI) raised serious concern on the issue stating bit a-la-carte choice is not given to consumers and wherever it is offered, it is made out of reach of the customers. The NBA expressed similar concern stating that DPO packages are pushed to consumers and a-la-carte pricing is made unattractive at retail. Also, there is no transparency with regard to pricing of individual channels as a number of LCOs do not provide full details of the channels/rates to the consumers and do not get the consumer application forms filled properly. Stating the reasons, the Ministry have informed that MSOs often find it difficult to provide this facility-as the rates of bouquet by Broadcasters are much more attractive than the a-la-carte rates. The Committee are concerned to note the absurdity in the pricing of the bouquets of channels that a channel within the bouquet when chosen separately may cost more than the cost of the entire bouquet. The Committee observe that it a deliberate attempt by MSOs/IDTH operators to discourage selection of individual channels by pushing their tailor made packages for their vested interests. This practice coupled with reluctance on the part of Broadcasters to disclose MRP of individual channels strongly impinges on the freedom of consumers to choose channels of their choice. The Ministry have admitted that some operators are not extending choice of a-la-carte as they are getting bouquets of channels from Broadcasters rather than a-la-carte at individual price. Whatever may be the reason for operators not extending a-la-carte choice of channels, it is the consumer who is at the receiving end and whose interests are at stake in the whole process. The Committee further learn that as per TRAI Regulations, it is mandatory for every MSO/LCO to offer a Basic Service Tier (BST) consisting of at least 100 FTA channels

at a price not exceeding Rs.100 plus taxes. In view of this, consumers should have choice of a-la-carte selection of channels so that they can add channels to BST to have full flexibility for subscribing pay channels of their choice. However, this is not being followed. Most of the MSOs offer at least 3 to 4 bouquets in addition to BST. TRAI has, therefore, come out with a revised Regulations which will take care of the issue. The new Regulations include measures such as Broadcasters to declare nature of its channels (Pay or FTA); no charges on FTA channels; Broadcasters to declare MRP of its channels; offering all channels on a-la-carte basis to distributors, MRP to be displayed on electronic programme guide; transparent declaration of information relating to channels choice; price etc. The Committee observe that ideally there should also be a mechanism to have consultation with LCOs by MSOs in finalizing the channels in the basic package of FTA channels to take into account the interests of the consumers. Taking note of the fact that the issue is sub-judice, the Committee desire that the Ministry should make concerted efforts for early hearing and disposal of the cases so that the consumer is able to avail the benefits of choice of channels. The Committee also recommend that the option of Pay Per Use as is already available in the DTH platform should be explored which will give the consumer more flexible option.

Reply of the Government

To provide transparency, the new regulatory framework contains provisions that ensure effective choices to the consumers as well as it gives flexibility to the service providers to offer their services as per their business plans.

After judgement of Hon'ble Madras High court, TRAI is likely to issue Notification in this regard to make it mandatory.

Comments of the Committee (Please see Para No. 15 of Chapter-I)

Issue of Carriage Fee

(Recommendation Sl. No.9)

The Committee are given to understand that in the analog system, the Broadcasters were paying carriage fee to the MSOs for carriage of channels. As per the Interconnection Regulation issued by TRAI on 30th April, 2012, MSOs were allowed to carry carriage fee from Broadcasters but the rate of the carriage fee to be charged was not specified. In the analog era, when the carrying capacity was limited, there were three bands, VHF-1, VHF-3 and UHF. VHF-1 band offered the best signal quality followed by VHF-3 band which offered slightly inferior quality and the UHF band which was inferior to VHF-3 band. VHF-1 had the capacity of only seven to eight channels and every Broadcaster wanted to be placed in this band. The Ministry also wanted to put the mandatory channels such as Doordarshan National Channel and Lok Sabha Channel in the VHF-1 Band. Out of the remaining slots, there was a race between all the broadcasters to be in the VHF-1 band. Whosoever paid the higher price, their channel was carried in the VHF-1 band. The fee paid by Broadcasters to MSOs/LCOs for carrying the channel in a particular band came to be known as Carriage fee. There are two other concepts of Placement fee and Marketing fee. Broadcasters often want to place their Channel next to popular channels or at the beginning of a particular genre of channels. This is called placement of a channel and often huge premium is paid by Broadcasters for such a placement. Marketing fee refers to insertion of a channel in a popular bundle/bouquet of channels so as to increase its viewership. After digitization of transmission, the carrying capacity has increased manifold and there is no differentiation in quality of signals. As a result, the erstwhile race amongst the Broadcasters to put their channel in the prime VHF '1 band no longer holds any relevance. However, placement and marketing of channels still continues. The News Broadcasters Association (NBA) while deposing before the Committee expressed

concern that even after digitization, they have to pay huge amount of carriage fee. Even if the consumer pays to cable operator or MSOs for the news that he is watching that money hardly comes back for news gathering. Therefore, all the news channels are Free-to-Air channels. The Ministry of I&B have informed that the issue of carriage fee was raised in the Task Force meetings and when the Ministry and the sector regulator TRAI asked the Broadcasters to disclose the Carriage fee paid to the DPOs, none of the Broadcasters shared the information. Some Broadcasters provided the combined-information on Carriage. fee, Placement fee, and Marketing fee which makes it difficult to measure the carriage fee separately, as placement and marketing fee are mutually agreed upon and commercial in nature. The Committee find it perplexing that Broadcasters often complain that the DPOs charge exorbitant amounts in the name of carriage fee and that it should be regulated, however, when asked to share the details of the same, there has been extreme reluctance on the part of the Broadcasters to share the details of Carriage Fee with the Ministry and TRAI. The Committee appreciate the efforts of TRAI which despite extreme reluctance on the part of Broadcasters to share the details of the Carriage fee, has now addressed the issue of carriage fee in its new regulatory framework wherein a cap of 20 paise per subscriber per channel has been prescribed which will further reduce as number of subscribers subscribing to the channel increases and will become zero when 20% of the subscribers will be available on platform who choose the channel. However, this framework is under judicial Scrutiny in the Hon'ble High court of Chennai and Delhi. The Committee hope that efforts of TRAI would go a long way in addressing the issue of Carriage fee to the satisfaction of all the stakeholders.

Reply of the Government

The digitization of cable TV network has largely addressed the issue relating to the capacity constraints on cable TV networks. Necessary provisions have been made in

the interconnection regulations notified by TRAI on 3rd March, 2017 to address the concerns of carriage fee paid by the broadcasters.

This issue was also challenged in Hon'ble Madras High Court. Now, after pronouncement of judgement by Hon'ble High Court in favour of TRAI, they are taking necessary action in the matter.

Comments of the Committee
(Please see Para No. 15 of Chapter-I)

Tariff Regulations and Revenue Sharing Arrangements

(Recommendation Sl. No.10)

The Committee note that the revenue sharing arrangement between MSOs and LCOs are mostly on mutually agreed amount basis or revenue sharing percentage basis. The Committee note that TRAI, in the year 2016 after consultation with all the stakeholders in the Tariff Order came out with Model Interconnection Agreement (MIA) and Standard Interconnection Agreement (SIA) in which different works between the MSOs and LCOs were identified. MIA provides for revenue share between MSOs and LCOs based on negotiations. The SIA would prevail in cases where mutual negotiations fail. The revenue may be shared in the ratio of 55:45 for FTA channels and 65:35 for pay channels. According to TRAI, this framework is very transparent and adequately protects the interest of both the stakeholders. The Cable Operators Federation of India (COFI) were, however, critical of the framework stating that the revenue had been left to mutual agreements between Broadcaster's and MSOs and between MSOs and LMOs/LCOs. LMOs could never reach a mutual agreement since MSOs were also made their competitors and permitted to run a last mile network. It led to discrimination and uncertainty. Even in the fallback arrangement suggested by TRAI, LMOs business become unviable causing unemployment and helping 'Pay' Broadcasters and allied

MSOs and DTH players to dominate the market through, monopolies. When the Committee desired to know if consensus was not achieved before finalizing the revenue sharing arrangement, TRAI have stated that the draft Regulation was issued asking for comments before issue of final Regulation. In the Explanatory Memorandum of the Regulation, the issues, comments of stakeholders and justification for the provision in the Regulation has been outlined. TRAI further admitted that there were certain issues resulting in non-level playing field and discriminatory practices in the sector, when major MSOs are getting favourable treatment from the broadcasters. These issues have largely been addressed by TRAI in the new regulatory framework, as the new framework has the key features, viz. for transparency, broadcaster is required to declare MRP up to which a DPO can charge from a subscriber, assured Distribution fee of 20% of MRP to DPOs, discounts offered should be measurable, transparent and within reasonable limits of 15% (Not exceeding 35% with distribution fee), and distribution fee is to be shared between MSOs and LCOs. However, the new framework is sub-judice in the Hon'ble High courts of Chennai and Delhi and is under judicial scrutiny. The Committee hope the court case will be finalized at the earliest to bring certainty to all the stakeholders.

Reply of the Government

The revenue share arrangement prescribed in the new regulatory framework take care the issues between MSOs and LCOs. The framework provides more transparency and protect the interest of both the service providers. The same was challenged before Hon'ble Madras High Court. High Court on 23.5.2018 passed Order in favour of TRAI. Now further necessary action is being taken by TRAI.

Comments of the Committee (Please see Para No. 15 of Chapter-I)

Training and Capacity Building

(Recommendation Sl. No.17)

The Committee note that considering the tasks involved in training and capacity building of local cable operators to-facilitate the digital switch over with least inconvenience to the consumers, the Ministry of 184B had engaged Broadcast Engineering Consultants India Limited (BECIL) to launch training programmes in batches to impart training to cable operators. Initially, the training programme was designed for five days to cover all aspects of the digital broadcasting. This was reduced to three days subsequently. In all, between December 2011 and March 2013, 12 training courses were conducted. Out of these, 7 were conducted in Delhi /Noida and 5 in Bangalore. Out of 12, five courses were meant for LCOs. 277 persons got training in these courses. However, subsequently BECIL had to discontinue the training course because of lack of response from the cable operators. The Committee's analysis reflect that while there was an urgent need to provide training facilities to a sector employing 20 lakh people, the Ministry surprisingly cited poor response and lack of participation by cable operators as the reason for discontinuation of the training programme. The Committee feel that a sector with such a potential for employment generation cannot be left to meet its training requirement on its own. For facilitating digital switch over, a huge workforce engaged with the cable operators need to be trained to adapt themselves to new technologies as it is they who have to play a significant role and supplement the efforts of the Government in digitisation. The Ministry need to arrange adequate training facilities to Local Cable Operators(LCOs) to upgrade their skills. The Committee are given to understand that the Ministry have made a reference to the Ministry of Skill Development and Entrepreneurship to mount training programme in this regard. The Committee hope that the proposed App based training modules for LCOs and their staff to get them

trained at their work place itself at their convenience, will bring desired result. The Committee also emphasized that adequate funds should also be allocated to meet the training requirements on this count. The Committee may be apprised of the steps taken in the direction of training and capacity building, along with the status of the above two initiatives.

Reply of the Government

Tutorial App in English language (text based) has been developed for providing the information to technicians employed by cable TV operators. However, it is observed that for effective training via this tutorial app, lot of Audio-Visual content in multiple languages is required to be made. The provision of funds for the same have been made in the revised “Mission Digitisation” Scheme.

Awareness Generation

(Recommendation Sl. No.18)

The Committee note that for providing information to the people and for generating awareness on cable TV digitisation, Public Awareness Campaigns were launched in each phase via electronic and print media. During implementation of Phase HI & IV, a TV spot/Ad on the advantages of digital cable and mandatory digitisation in all areas had been developed through □AVP and the same had been provided to Doordarshan, IBF, NBA and ARTBI with request to transmit the spot at regular intervals on their networks. Audio visual campaign on TV was regularly transmitted over many channels. The Scrolls/Tickers were run by TV channels voluntarily enforcing people to install STBs. Because of this intensive campaign launched by the Ministry, a large number of people across the country moved from analog to digital TV. With regard to steps for spreading awareness about consumer grievance redressal mechanism post digitisation, the

Ministry have informed that MSOs and LCOs have been asked to carry out public awareness campaign on price of channels, quality of service and grievance redressal as mandated in Rule 13 of the Cable Rules. The service providers in the Broadcasting sector had played an effective role in initiating and carrying out a sustained campaign for switchover from analog to digital transmission of signals over the cable TV networks across India but the Committee are disturbed to observe that the same stakeholders have not shown much interest or enthusiasm in carrying out the awareness campaign about grievance redressal mechanism in the post digitisation phase. The Committee, in this regard, do not see a single advertisement/scroll in any of the electronic media. Awareness of consumer is an essential prerequisite for a healthy and responsive cable TV eco-system. Therefore, the Committee recommend the Ministry to increase their awareness drives/campaigns in the post digitisation phase also so that there is greater awareness among the consumers about the Grievance Redressal Mechanism available for dealing with the grievances of the customers.

Reply of the Government

The Ministry vide letter dated 07/9/2017 directed all the registered MSOs to provide the details of the Grievance Redressal System i.e. Toll-Free Helpline, Website and Nodal Officers maintained by them. The requisite information from 404 MSOs have been received in the Ministry so far. Remaining MSOs are being persuaded to furnish the requisite information.

The Ministry have also put this information in public domain i.e. the website of www.digitalindiamib.com so that the consumer can be aware of the same to register their complaints to the concerned MSOs and have them redressed. Further, 'Consumer Section' in the website of www.digitalindiamib.com is being developed by BECIL.

Interoperability of STBs

(Recommendation Sl. No.19)

The Committee note that presently an STB is tied to a specific operator due to various technical, commercial and market driven reasons. As such, the same STB cannot be used interchangeably across different service providers. The Committee observe that the STB interoperability would empower the consumers to change their Cable TV (or DTH) service providers whenever required, without changing their STBs. This would shift the focus of the sector towards providing better quality of services to the consumers at competitive prices as consumers will have an option to switch their service providers in case of unsatisfactory services. Implementation of STB inter-operability, will also make them available in the open market, and will drastically reduce the challenge of e-waste resulting due to discarded set-top boxes. Availability of set-top-box in open market will reduce capital requirement of service providers and improve the cash flow position of the industry. The objective of achieving technical interoperability is to facilitate greater consumer convenience and consumer choice, while spurring innovation and healthy competition in the industry, as well as its orderly growth. Interoperability can be achieved either through technical interoperability or commercial interoperability. Technical interoperability as provided for in the existing BIS specifications/DTH Guidelines, is expected to be achieved by means of a combination of Common Interface (CI) slot in the STB and pluggable Conditional Access Module (CAM). In this arrangement, it is envisaged that services of any particular operator can be availed by simply plugging in the CAM of that operator into the CI slot of the STB of any another operator. However, technical interoperability, as envisaged in-the existing DTH Guidelines, has, so far, not proved to be effective as cost of the Conditional access Module is almost similar to the cost of the new Set top box due to very low volume. Commercial interoperability basically refers to availability of such scheme(s) wherein consumers can obtain STB from a service provider, at such terms and conditions that

they can exit the services of the service provider at any point of time and gets adequately compensated on return of the STB. Commercial interoperability has the advantage that it does not involve any technological issues. It also has the advantage that a consumer has a wider choice in terms of operators; consumers can migrate to operators across the platforms. Further, the nature of broadcasting networks being unidirectional, they are prone to piracy of signals of TV channels as point of piracy is relatively more difficult to identify. Piracy adversely impacts broadcasters' revenue and stakes are high. Nevertheless, stakeholders are co-operating and discussing for interoperability of STBs. However, they have many concerns. The Committee are given to understand that TRAI is working on interoperability of STBs with CDOT and IIT, Mumbai to work out an acceptable solution. In this backdrop, to ensure commercial interoperability, TRAI has notified tariff orders for cable TV service provided through Digital Addressable systems and DTH service which provides an easy exit option to subscribers, ensures availability of consumer—premises-equipment (CPE - that primarily consists of STB and Dish antenna) at reasonable prices, easy to understand terms and conditions and, at the same time, protects the interests of the service providers. These Tariff Orders prescribe standard tariff packages for making available a CPE/STB to the consumers. These packages are in addition to and not to the exclusion of other rental schemes, hire purchase schemes or outright purchase schemes offered by the DTH operator/MSO. In essence, these tariff orders provide for commercial interoperability. However, the tariff order, applicable for DTH services, has been challenged by a couple of DTH operators in the TDSAT and the matter is subjudice before Hon'ble TDSAT. While taking note of the fact that interoperability of STBs is a complex issue and has not been achieved anywhere in world, the Committee appreciate the efforts of the Ministry and TRAI in achieving interoperability of STBs in the interest of the Consumers and recommend that all steps may be taken to achieve interoperability of the Set Top Boxes in a definite time-frame as it will benefit all the stakeholders.

Reply of the Government

Report gives a positive outlook on the efforts carried out by TRAI/CDOT for achieving interoperability while on the contrary, the Ministry has been discussing the issue with BECIL that due to present eco-system of digitization and efforts involved in managing the complexity involved in this task, there is need to arbitrate on the topic of interoperability and come-up with clear approach; topic has been open for several years without clear planning and approach to achieve the goal.

From technical perspective interoperability requirements need to be detailed out due to its huge impact at all the levels of implementation and to the entire eco-system including OEMs and distribution system starting from head-end. Current implementation is too much OEM specific while interoperability shall need major changes to harmonize the implementation of various components in software and security. Also, it is not clear what will happen with existing boxes deployed in field. Operating system/Middleware and EPG, boot loaders are specific to chip vendors and OEMs and it allows the updating of STB software by specific operators after proper verification. Operators due to concerns of piracy make STB tightly coupled by integrating.

In view of above, it may be stated that presently, the interoperability of Set Top Boxes in Cable Section is not viable.

Comments of the Committee

(Please see Para No. 29 of Chapter-I)

Domestic manufacturing of Set Top Boxes

(Recommendation Sl. No.21)

The Committee note that each subscriber in a digital network requires a set top box to view TV channels. In order to project the requirement of Set top box, it is imperative to know the correct number of digital subscribers. As subscriber figures were not clearly available in the analog network, it was difficult to project future demand of STBs.

However, industry projections indicate a demand of 10-15 million STBs in near future. As per industry estimates, about 11- crore STBs have already been installed throughout the Country out of which- only about 20% to 30% have been procured from the domestic STB manufacturers although the domestic manufacturers claim that they have installed capacity to meet the full demand. While the Ministry has been encouraging the use of indigenous manufactured STBs and taken several steps such as increasing import duty on STBs from 5% to 10% and putting most of the components used for the manufacturing of STBs in the 0% import duty bracket, the percentage of domestic STBs already installed presents a different picture. The Committee also note that Conditional Access System is one of the part in any STBs and it was felt that the domestic manufacturing of STBs will pick up if there is an Indian CAS. Accordingly, MeitY has got an iCAS developed from a Bangalore based company. As per the terms of contract, the design of i-CAS cannot be given to any foreign company for three years. About 80 MSOs has already adopted Indian CAS and it is learnt that over 3 Lakh iCAS STBs has already been deployed. Doordarshan has also selected i-CAS STBs for the DD Free Dish service which is planned to be encrypted. Manufacturing of STBs is tightly coupled with CAS system with digital addressable network. Since India initially did not have its own CAS system, most of their] were imported while introducing digitization in the Indian cable. TV system. With the initiative taken by the Ministry of Electronics & Information Technology(Meity), an indigenous CAS i.e. iCAS has been developed which is likely to give fillip to the use of domestically manufactured STBs. While appreciating the efforts of Meity in development of an indigenous CAS(iCAS),the Committee strongly recommend that sincere efforts need to be made to promote the usage of domestically manufactured STBs and hope that with the development of iCAS, adoption of domestically manufactured STBs would pick up at a faster rate thereby reducing the dependence on imported STBs.

Reply of the Government

To promote domestic manufacturing of STBs, Ministry of Electronics and Information Technology (MeitY) has taken following steps:

(a) MeitY, through a novel PPP model, funded a unique project for the development and implementation of Indian Conditional Access System (iCAS) for STBs. M/s. ByDesign India Pvt. Ltd., Bangalore, in association with C-DAC has successfully developed the iCAS. The development of iCAS has enabled India to enter a niche market hitherto dominated by few big global companies. Approx. 12,32,000 STBs with iCAS have already been deployed across the country. More than 147 Cable Operators have installed iCAS enabled head-ends. Doordarshan has also decided to leverage the iCAS solution to upgrade its Dish DTH platform. The iCAS is beneficial to domestic STB manufacturers and Operators because it is available to them at a price of USD 0.5/ license for a period of three years, as against market price of USD 3-5/ license for other competing products. The iCAS enabled STBs have been deployed even in remote regions of the country.

(b) In the Budget 2016-17, a differential Excise Duty dispensation, i.e. Countervailing Duty (CVD) on imports @12.5% and Excise Duty @4% without input tax credit or 12.5% with input tax credit was made available to domestic manufacturers of STBs. To enable the domestic manufacturers to clear the STBs at 4% Excise Duty; parts, components, accessories and sub-parts used for the manufacture of parts, components, accessories were exempted from Basic Customs Duty (BCD), Excise Duty/ CVD and Special Additional Duty of Customs (SAD). This gave an impetus to the manufacturing of STBs in the country. However, since continuation of differential Excise Duty dispensation was not considered feasible under the Goods and Services Tax (GST) regime, BCD has been increased from 10% to 20% on STBs for Televisions vide Notification No.91/2017-Customs dated 14.12.2017.

Role of TRAI in Broadcasting Sector

(Recommendation Sl. No.23)

The Committee note that TRAI was entrusted with the responsibility to regulate broadcasting services on 9th January 2004 and since then it has been discharging its functions as per the provisions of TRAI Act. During this period, the broadcasting sector has seen enormous growth in the number of satellite TV channels, introduction of DTH services, digitization of cable TV networks, setting up of independent TV rating agency and introduction of FM radio services across the country etc. TRAI has brought out several regulations to address various issues in broadcasting sector which has enabled transparency and non-discrimination in the value chain, reduction of disputes amongst the stakeholders, improvement in quality of service to consumers and overall growth of the sector. The recommendations of TRAI have also been the basis of several key policy decisions of the Government for broadcasting sector. The Committee are however, constrained to note that TRAI at present has got very limited powers due to which enforcement of its regulations, directions and tariff orders becomes difficult. TRAI has noticed several violations of its regulations by service providers and cases have been filed in the court under provision of TRAI Act against such service providers. The Committee do not find this as a very effective mechanism to ensure compliance of the provisions of the Act. It is learnt that TRAI has suggested some modifications in the TRAI Act, which are under consideration of the Government. In view of the tremendous growth in the broadcasting sector and ever increasing number of satellite TV channels, the Government may undertake evaluation of the need to have a separate regulator for the broadcasting sector. Till the time the Government decide to have a separate regulator for broadcasting sector, steps may be taken to empower TRAI through modifications in the TRAI Act for effective enforcement of its regulations by the Authority.

Reply of the Government

There is no strong compliance standard/ procedure imposed by BIS to ensure the quality of STBs, presently BIS mandates need of only safety testing and certificate. Due to technology evolution and growth of eco-system in the field of STB design/manufacturing it is desired that specifications for Safety (IS13252), Electromagnetic interference (EMI) and electromagnetic compatibility (EMC) (IS 6873-Part3) and Restriction of Hazardous Substances (RoHS) compliance need to be improved and many of the requirements should be mandated for OEMs of Set Top boxes to regulate the quality of devices.

Over last one decade, India has made significant growth in this sector in terms of indigenous manufacturing, adapting standards, test and measurement labs so it is right time to impose reasonable certification requirements to manage the quality of boxes including the poor quality of huge number of imported boxes. Putting strong compliance framework shall boost the local manufacturing of STBs.

Impact Assessment

(Recommendation Sl. No.24)

The Committee note that the Ministry have not carried out any formal impact assessment of cable TV digitisation so far. The Committee recommend the Ministry to carry out an Impact Assessment Study of cable TV digitisation including all its aspects so that a clear picture emerges as to how far digitisation has actually been able to achieve its intended objectives. This will also enable the Government to intervene from time to time and take suitable corrective measures if need be. The Committee may be apprised of the action taken in this direction.

Reply of the Government

The Ministry has asked Indian Institute of Mass Communication (IIMC) to conduct Impact Assessment Study of Cable TV digitization.

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT

Pricing of Set Top Boxes

(Recommendation Sl. No.20)

The Committee note that a large variety of Set Top Boxes (STBs) are available in the market and the price of an STB depends upon its features & capabilities. MSOs are charging about Rs. 1000 to Rs. 1200 for a basic STB. The price varies depending upon whether it has provision for receiving HD channels and/or recording facility. As per para 17(5) of the Standards of Quality Service Regulations issued by TRAI on 14.5.2012, every subscriber is free to buy STB of approved quality from the open market, if available, which is technically compatible with the system of MSO and the MSO/LCO should not force any subscriber to buy or take on rent or on hire purchase the STB from him alone. TRAI in its regulation has specified that the MSO/LCO should have at least three schemes for supply of STBs (i) outright purchase, (ii) rental and (iii) installments. Rates for rental and installment have been specified by TRAI. However, no rates have been specified for outright purchase. It is observed that most of the MSOs charge activation fee for supply of STBs wherein the STBs remain the property of the MSO/LCO. The amount of activation charge depends on a number of factors such as features in the STBs, competition status, type of package selected by the consumer and the duration for which the subscription charges are paid. When digitisation started, the STBs were introduced in the market with basic features. At that time, the priority was for seeding of STBs. The prices have been kept unregulated but TRAI has mandated provision of rental scheme, so that subscribers are not burdened with STB cost. Four different options having varying rates of security deposit and rental have been specified so that customer can take as per his /her requirement. This was done keeping in view the

market forces and competition which will ensure rational pricing of STBs and not to hinder technical innovations in the features offered by STB-s. This ensured that STBs are made available at affordable and competitive prices. Since market is still competitive, prices have come down drastically. Therefore, no intervention has been made to regulate the price of STB. However, TRAI noticed that very high installation and activation fees for STBs were being charged from consumers after it is supplied to them. Accordingly, to protect the interests of consumers, TRAI has prescribed a ceiling tariff of Rs 350 for installation and Rs.100 for activation of STBs through the Telecommunication (Broadcasting and Cable) Services Standards of Quality of Services and Consumer Protection (Addressable Systems) Regulations, 2017. Regarding the depreciated value of STB, TRAI prescribed the method of calculating the depreciated values for the STBs in - the Telecommunication (Broadcasting and Cable) services (seventh) (the direct to home services) tariff order, 2015. As per the said order, on return of the customer premises equipment by the subscriber, DTH operator shall refund the depreciated value of the said equipment, by calculating using straight line method at the rate not exceeding 1.7 percent for every completed calendar month or part thereof. However, this is under judicial scrutiny of Hon'ble TDSAT. The Committee find that owing to the technical nature of work in installation of STB and its interconnection with Cable wire/Dish Antenna and the allied software, which the consumers are unable to do themselves and for which they have to invariably depend on the Cable/DTH Operator and the bundling of hardware and services by the Cable/DTH operators, they are unable to buy technically compatible STB of their choice from the open market and get it installed. There is a need to unbundle the product and service components and foster competition to enable the customer to choose hardware/services of their choice. The lack of technical expertise on part of the customer is exploited by Cable/DTH providers who force the customers to use the hardware provided by them and bundle it with their installation, service and maintenance thereby restricting consumer choice. This amounts

to unfair exploitation of the customer. While lauding the efforts of TRAI in this regard, the Committee strongly recommend for unbundling of hardware and associated services and making provision for itemized billing for hardware as well as associated services such as installation, activation and maintenance and providing more option to the customer to procure similar compatible hardware from the open market.

Reply of the Government

The regulatory framework notified by TRAI has special emphasis on transparency and subscribers billing. TRAI is working with C-DOT and stakeholders to achieve technical solution for interoperability of STBs. The regulatory framework contains provisions for commercial interoperability to ensure subscribers have easy exit option. For Cable Sector, a standard tariff package has been mandated for the service providers for providing STBs.

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND REQUIRE REITERATION

Status of Digitisation in Chennai

(Recommendation Sl. No. 4)

The Committee are disturbed to note that only 33% digitisation has been achieved in the State of Tamilnadu. According to the Ministry, digitisation in Tamil Nadu could not be achieved due to court order not to disturb the analog signals of Arasu cable till a decision is taken by the Ministry of I&B on their application for MSC registration. The Committee find that in view of the TRAI recommendation not to allow Government entities to operate in the broadcasting and distribution sector, the Ministry were unable to take a final view on the issue as a provisional registration was granted to Arasu cable earlier in the year 2008. However, considering the court directive and to complete digitisation in Tamil Nadu a provisional registration was granted to Arasu cable on 17th April, 2017 against the TRAI recommendation. What is disquieting to note is the fact that the Ministry also granted extension of time to the Arasu cable, first upto 17th July, 2017 and thereafter upto 17th August, 2017. After the issue of registration to Arasu cable, the Ministry have also received complaints from the registered MSOs and their LCOs-in Tamil Nadu that they are being forced by Arasu cable to take signals only from them. The Ministry have requested the Chief Secretary of the State to look into the matter and to ensure that Arasu cable does not have monopoly. Some of the complainants have also moved to Chennai High Court in this regard. It is a matter of deep concern to the Committee that undue indulgence has been shown to Arasu cable which has badly affected the progress of digitisation- in the State of Tamil Nadu. The Committee recommend that the Ministry should take a concrete decision in conformity

to the recommendation§ of TRAI in a definite time-frame in this matter to speed up the process and achieve the objectives of digitization of Cable TV in Tamil Nadu. The Committee also expect the Ministry to address effectively the issues raised in the complaints filed by some MSOs and LCOs in Tamil Nadu. The Committee would like to be apprised of the decision taken in the matter within a period of three months.

Reply of the Government

After granting MSO registration to Arasu Cable in April, 2017, they have seeded about 14 lakh STBs in the Tamil Nadu State, as per MIS. The complaints received against Arasu have been forwarded to Chief Secy. (TN) with the request to look into these complaints and to ensure that Arasu Cable does not have monopoly and allows the others registered MSOs to continue to provide digital Cable TV services as they are already providing the same to meet the cut-off date of 31.03.2017.

Comments of the Committee (Please see Para No. 7 of Chapter-I)

Digitisation in Rural and Remote Areas

(Recommendation Sl. No. 5)

The Ministry have informed -the Committee that Phase IV of cable TV digitisation covers all rural areas throughout the country. One of the challenges in achieving 100 per cent digitisation is the non-availability of digital signal in some remote and inaccessible areas where there are very few cable operators. In these areas there are no digital signals from registered MSOs as they don't find it cost effective to lay fibre optical cables to extend digital signals in these remote areas. The Committee note that for such areas, the cable operators have been suggested either to set up their own digital Head End after taking MSO registration or take signals from HITS operators for further

distribution. Nodal Officers have been requested time and again to review the progress of digitisation with all the stakeholders and motivate the existing MSOs to extend services in such remote areas. Further, the consumer have choice to go for private DTH or DD Free Dish connection. DD Free Dish is very popular in such areas as subscribers are not required to pay any monthly charge for the service. In view of the above submission, the Committee are of the view that options such as allowing infrastructure sharing for Cable distributor or providing necessary resources or subsidy to MSOs for making investment in rural areas for developing necessary infrastructure may be considered as developing infrastructure individually may be a costly proposition for Cable operators. The Committee recommend that the planned scheme of Doordarshan for distribution of DTH Set Top Boxes in remote, tribal, hilly and border areas may be continued and effort may be made to popularize DD Free Dish in the rural Areas by improving its content and rationalizing the costs in a better way.

Reply of the Government

DD Free Dish platform has a rich bouquet of channels consisting of Doordarshan Channels, Parliamentary channels, General Entertainment, Movie, News, Music, Sports etc. making it a very popular and cost effective medium for source of information and entertainment. As per the industry estimates more than 22 million household are having DD Free Dish connection. MIB has recently issued an advisory to Prasar Bharati for formulation of policy on filling up of slots on DD Free Dish, which is under consideration. The distribution of DD Free Dish receive systems is part of the sanctioned Plan scheme. These receive systems are for distribution in remote, tribal, hilly, difficult terrain and border areas. STBs are handed over to the nodal officers appointed by the respective State Government for further distribution. So far 66,000 DD Free Dish receive systems have been distributed under various previous Plans. Further, a scheme of

distribution of 30,000 DD Free Dish receive systems has been approved. Out of these, distribution plan of 11,200 DD Free Dish receive systems has already been approved for distribution in border and remote areas through Ministry of Home Affairs (MHA). For the rest of the DTH sets, Prasar Bharati will finalise its distribution plan and will hand over the sets to the respective state governments.

Comments of the Committee

(Please see Para No. 10, 11 and 12 of Chapter-I)

Advertisement Revenue vs. Subscription Revenue and Regulation of Advertisement

(Recommendation Sl. No. 11)

The Committee note that one of the drawbacks of analog cable TV was its limited carrying capacity and transparency which distorted the business model for Broadcasters and increased their dependence on advertisement revenue. It was expected that post digitisation the increased carrying capacity would enable Broadcasters to offer niche channels and HD channels. The Committee further note that while TV subscription revenue has increased from Rs.329 billion in 2011 to Rs.588.3 billion in 2016, advertising revenue has also increased from Rs.116 billion in 2011 to Rs.201.2 billion in 2016 and therefore the percentage of advertisement revenue of the TV industry as per Industry Report has remained static in the range of 33-35% of the total revenue of TV industry. As such, there is no noticeable shift from advertising revenue to subscription revenue in the post digitisation era. Further, no more Ad free channels have been reported by Broadcasters after 2012. On the Guidelines for advertisement to be followed by pay channels, the Committee note that as per Rule 7 of the Cable Rules, no programme telecast in Pay Channel or Free to Air Channel(FTA) shall carry advertisement exceeding 12 minutes per hour which may include up to 10 minutes for commercial advertising

and up to 2 minutes for self-promotional programmes. TRAI has brought out detailed Regulations on the issue but the matter is reported to be sub judice at present. The Committee are however surprised to find that though the detailed Advertising Regulations brought out by TRAI stand challenged in the court, both the FTA as well as the pay channels are having a free run subjecting consumers to frequent long dose of advertisements during a programme. The Committee recommend that steps must be taken to regulate the permissible duration and frequency of advertisements during a programme to ensure that in order to maximize their advertisement revenue, Broadcasters do not force the viewers to bear repetitive slots of advertisement in quick succession without any check whatsoever. At the same time, it must be ensured that advertisements being run in scroll ticker do not cover more than 10% of the TV screen space and also do not spoil the aesthetic sense of the programmes being telecast. It may also be ensured that there should not be any vertical display (running or static) of advertisement on TV screen by any TV channel. The Committee hope that the Ministry will initiate necessary steps in this direction and apprise the Committee of the action taken in this regard.

Reply of the Government

Rule 7(11) enshrined in The Cable Television Networks Rules, 1994 stipulates that no programme shall carry advertisement exceeding twelve minutes per hour, which may include up to ten minutes per hour of commercial advertisements, and up to two minutes per hour of a channel's self-promotional programmes. Telecom Regulatory Authority of India (TRAI) had notified the regulations namely "Standards of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations, 2012 and subsequent amendment dated 22.03.2013. Some of the broadcasters filed an appeal in the High Court of Delhi challenging the said regulations. The Hon'ble High Court has passed an interim order on 17.12.2013 restricting TRAI from taking any

coercive measure against the petitioners or their members to make them abide by the impugned Regulations. There are about 17 similar matters which have been tagged along with the above Writ Petition against TRAI. Ministry of I&B is also a party in the tagged case.

As such, Ministry of Information and Broadcasting cannot take any coercive action against the broadcasters. The matter relating to 12 minutes per hour advertisement cap on broadcasting TV channels is unresolved and the Government has decided to await the directions of the Hon'ble Court in this regard.

Comments of the Committee
(Please see Para No. 18 and 19 of Chapter-I)

Transparency, Quality of Service and Consumer Grievance Redressal System

(Recommendation Sl. No. 12)

The Committee note that at present there is no effective grievance redressal mechanism to address the grievances of consumers on issues related to cable TV digitisation. TRAI has mandated that every MSO/LCO should have a Toll Free helpline and a website for logging of complaints and should nominate a Nodal Officer who can be approached by subscribers in case their complaints are not resolved in time. TRAI has also specified a timeframe for redressal of the complaints. However, most of the MSOs/LCOs have not set up Toll Free Helpline and website for lodging of complaints and have not notified the names and contact numbers of the Nodal Officers. It has also been observed that they are not providing computerized bills to consumers and have also not activated the complaint redressal mechanism. As such, the consumers are left in lurch with no other option but to approach Consumer Courts. This option is also rarely resorted to not only because of the amount involved being very negligible but also because of the hesitation of the consumers to get involved in the procedural hassles of the legal system. Absence of an effective grievance redressal mechanism leaves the consumer helpless and sometimes vulnerable to exploitation by DPOs at will. The Committee are pained to find

that though several grievance redressal avenues are stated to be available to the cable TV consumers, yet most of these are either non-operational or quite ineffective in providing the desired relief. Admittedly, the consumer grievances are not getting redressed effectively either at LCO level or at the MSO level or at the higher level of Broadcasters. A need is therefore felt to explore the possibility of linking cable network through internet to a Centralized Monitoring Mechanism. The Committee are given to understand that a Centralized Monitoring System is now proposed to be set up which will also have access to the Grievance Redressal System of MSOs. Such a system which will have information on no. of subscribers, channels being carried by MSO/LCO, subscription charge and GST paid by subscribers, etc. would take action against the defaulters in case complaints are not attended to on time. The C-DAC and the C-DoT organizations have been asked to suggest low cost solutions for such a centralized monitoring system to monitor the services provided by the cable operators. The Committee recommend that this Centralized Monitoring Mechanism be rolled out and put in place in a time bound manner. Regarding Ministry's suggestion on linking subscription charges to a central account and releasing the same to cable operator subject to their resolution of complaints, the Committee recommend that the Ministry should work out on this methodology, in consultation with stake holders, and also consider bringing in the necessary amendments in the Cable Rules to make it effectively operational.' The Committee may be apprised of the action taken by the Ministry for setting up of Centralized Monitoring Mechanism and also on other issues.

Reply of the Government

To ensure Service Quality and Consumer protection, TRAI has also notified Quality of Service and Consumer Protection Regulation dated 3rd March, 2017 that provides norms for service providers to be adhered by them. The said regulation is also sub-judice before the Hon'ble High Court of Delhi. However, the Consumer Complaint

Redressal Regulation notified by the Authority in 2012 is in force. Any violation of the provisions of these regulations is dealt as per the provisions of TRAI Act.

As recommended by the Committee regarding Centralized Monitoring System, it may be mentioned that, such type of system may require networking and linking of existing consumer Grievance Redressal System of MSOs to the Centralized computerised Monitoring System. For this Centralized Monitoring System will require MSO to provide access to their respective consumer Grievance Redressal System. This may require further discussion with the stakeholders.

However, the Ministry has asked BECIL, a PSU under the Ministry, to take necessary action for establishment of Central Monitoring System in consultation with C-DOT and C-DAC to develop a low cost viable solution to address the issue.

Comments of the Committee
(Please see Para No. 22 and 23 of Chapter-I)

Infrastructure Status to Broadcasting Industry

(Recommendation Sl. No. 15)

The Committee are constrained to note that though the National Telecom Policy way back in 1999 had mentioned use of Cable TV networks for broadband penetration and subsequently -TRAI also had recommended for the same, no practical steps were apparently taken in this regard. Though the Ministry of I&B had made a proposal in this regard which was discussed in the meeting of the Committee of Secretaries held on 10.2.2012, the same was not agreed to. There was no follow up in the matter and it did not reach to its logical end. The proposal aimed at grant of fiscal incentives/duty concessions to the broadcasting industry to facilitate time-bound transition of analog Cable TV services to Digital, which also included grant of infrastructure status to the broadcasting industry, reduction of basic custom duty on digital Head-ends and STBs

and rationalization of Taxes on the Broadcasting & distribution Sector. Ministry of I&B, very recently in 2017, have again moved a proposal to grant infrastructure status to the broadcasting industry to Department of Economic Affairs (DEA), MoF, which was discussed on 20 Feb, 2017, in the 12th meeting of the Institutional Mechanism on the Harmonized Master List of Infrastructure. Ministry of MB have been asked to submit a revised proposal. The Committee are unable to find the reason as to why the Ministry took five long years to place a fresh proposal in 2017 on such a pressing issue of grant of infrastructure status to the Broadcasting Industry particularly when TRAI had already recommended for mandatory introduction of DAS in the Cable TV services in the year 2010 itself and the Ministry had also notified the schedule for digitisation in the year 2011. If the issue of granting of infrastructure status had been taken earnestly at that time itself, it would have facilitated digitisation in a big way. Nonetheless, considering the urgency in-the matter, the Committee recommend the Ministry of I&B to submit the revised proposal expeditiously to the Department of Economic Affairs in the interest of the industry and to make consorted effort for granting infrastructure status to the broadcasting industry. The Committee would like to be apprised of the steps taken by the Ministry in this regard.

Reply of the Government

This Ministry forwarded the request of various stakeholders for grant of infrastructure status to broadcasting industry to Ministry of Finance on 02.11.2015 for consideration during formulation of Budget 2016-17. This Ministry on 28.01.2016 forwarded a comparative chart of characteristics of infrastructure and justification of Broadcasting Industry to Ministry of Finance for grant of infrastructure status. Ministry of Finance vide OM dated 26.07.2016 informed this Ministry that the proposal of Indian Broadcasting Foundation (IBF) submitted by the Ministry for grant of Infrastructure status to Broadcasting Industry was circulated to Institutional Mechanism (IM) members

for seeking their comments / views and upon receipt from IM members, the issue will be considered. The meeting of the Institutional Mechanism on Harmonized Master List of Infrastructure Sub-sectors was held on 20.02.2017. The agenda of the meeting included “Inclusion of Broadcasting Industry in the Master List of Infrastructure Sub-sectors”. The IM recommended that inclusion of “Broadcasting Industry” in Harmonized Master List of infrastructure sub-sector cannot be considered as presented. M/o Information & Broadcasting may submit a revised proposal identifying specific items that qualify for inclusion as ‘Infrastructure’.

Comments of the Committee
(Please see Para No. 26 of Chapter-I)

Quality of Set Top Boxes

(Recommendation Sl. No. 22)

The Committee note that TRAI has been emphasizing the use of high quality BIS compliant STBs for cable TV networks and TRAI has taken up the issue with different MSOs from time to time where compliances are taken from MSC, certifying the use of Bureau of Indian Standards (BIS) compliant STBs only. In the Telecommunication (Broadcasting and Cable) Services Standards of Quality of Services and Consumer Protection (Addressable Systems) Regulations, 2017, TRAI has mandated that every distributor of television channels or local cable operator, as the case may be, shall provide set top box confirming to relevant Indian Standard set by the Bureau of Indian Standards. The Committee further note that as per Section 9 of the The Cable Television Networks (Regulation) Act, it is obligatory for every cable operator to use only BIS compliant STBs. Under Section 11 of The Cable Television Networks (Regulation) Act, Authorised officers have powers to seize the equipment of the operators if supply of non-BIS compliant STBs are detected and for this, anyone having such information may make complaint to the Authorised Officer for necessary action. Ministry of Electronics and Information Technology (MeitY) is the nodal Ministry for all issues relating to

electronic equipment including Set Top Boxes. MeitY had mandated that all the Set Top Boxes should meet the safety standards and had also outlined a procedure for Testing/Certification of the STBs before import. As such only STBs meeting these notified safety standards can be imported into the country. The Committee find that as per the prevalent practice, use of good quality Set Top Boxes is ensured through self-certification by MSOs stating the use of BIS compliant STBs only and feel that this mechanism of self-certification by MSOs may not be very effective in curbing the use of poor quality Set Top Boxes. The Committee observe that active involvement and participation of the customers are required in this regard but the constraints could be that the customers in general may not be aware of the quality standard of their set top boxes and the whereabouts of the Authorized officers whom to report in case of non-compliance of STBs provided by their Cable operator. The Committee therefore recommend that in order to ensure supply of good quality set top boxes and to effectively detect the non-BIS compliant STBs, there is a need to adequately inform and educate the customers about how to check the BIS-compliance of the STBs provided by their MSO/LCO/DTH operator along with the details of the Authorized officer whom they can report in case the STB is found to be non-compliant to BIS standards as prescribed under Section 9 of the Cable Act. Steps should also taken to make provision for some independent laboratories/facilities where the customers can themselves get their STBs tested for quality compliance at a nominal fee and thereafter report any lack of compliance to the Authorized officers. Such a mechanism will not only empower the customers but also instill a sense of fear amongst the operators who provide poor quality non-BIS compliant STBs to their customers in violation of Section 9 of The Cable Television Networks (Regulation) Act and. The Committee would like to be apprised of the steps taken by the Ministry in this regard.

Reply of the Government

There is no strong compliance standard/ procedure imposed by BIS to ensure the quality of STBs, presently BIS mandates need of only safety testing and certificate. Due to technology evolution and growth of eco-system in the field of STB design/manufacturing it is desired that specifications for Safety (IS13252), Electromagnetic interference (EMI) and electromagnetic compatibility (EMC) (IS 6873-Part3) and Restriction of Hazardous Substances (RoHS) compliance need to be improved and many of the requirements should be mandated for OEMs of Set Top boxes to regulate the quality of devices.

Over last one decade, India has made significant growth in this sector in terms of indigenous manufacturing, adapting standards, test and measurement labs so it is right time to impose reasonable certification requirements to manage the quality of boxes including the poor quality of huge number of imported boxes. Putting strong compliance framework shall boost the local manufacturing of STBs.

Comments of the Committee
(Please see Para No. 32 of Chapter-I)

CHAPTER V
OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE
GOVERNMENT ARE INTERIM IN NATURE

Vertical Monopolies and Cross Media Holding

(Recommendation Sl. No. 13)

The Committee note that in order to address the issues relating to Media ownership, TRAI had sent its recommendations on "Monopoly/Market dominance in cable TV services" to Ministry of I&B on 26th November 2013, which dealt with Merger & Acquisition rules for cable TV sector and restrictions to be imposed on MSOs to prevent monopolies/accumulation of interest in a relevant market through Merger & Acquisition. On 12th August 2014, TRAI had also sent its recommendations on "Issues relating to Media Ownership" to Ministry of I&B which dealt with Cross media ownership rules for dominant operators in news segment of television and print category, Internal plurality i.e. freedom to editors to express views/news and Rules to be applicable to mergers & acquisitions. However, TRAI recommendations on both the issues are since pending with Ministry of I&B. While TRAI is of the view that it would be desirable to implement these recommendations on priority basis, Ministry of I&B, on the other hand, are not in favour of too much control to restrict the areas of operation of the entities and feel that the regulations should aim at preventing exploitation by any entity and rest should be left to the market forces. However, NBA have strongly pleaded that vertical monopoly or vertical integration of DPOs and Broadcasters is not healthy for either the cable fraternity or the Broadcasters because it makes room for bias and more importantly removes the concept of level playing field. NBA apprehends that vertical mergers also foreclose competitors and in turn affects consumer's choice. NBA has further submitted that cross media ownership is not a healthy trend in media

industry and has the potential of creating serious conflict of interest situation which can stifle both the content side and business side of media companies. The Ministry of I&B also received complaints of existence of such entities in the market/industry. The Committee can hardly ignore the concerns expressed by the industry and are of the considered view that issues related to Vertical Monopolies and Cross Media Holdings have serious implications for the print and electronic media in India and cannot be simply left to the market forces and they need suitable intervention of Government from time to time. The Committee may be apprised of the status of action taken by the government on both the recommendations made by TRAI, existing provisions in force to address the issues of Vertical Monopolies and Cross Media Holdings in the cable sector- and to what extent the, recommendations would help in curbing the menace of cross media holding.

Reply of the Government

(a) TRAI's recommendations on "Monopoly / Market dominance in cable TV services" dated 26th November, 2013.

In order to ensure equity and fair play, and to restrict monopolies in the cable TV sector, the Ministry had sent a reference to TRAI on 12.12.2012 seeking its recommendations as to whether there is a need to bring in certain reasonable restrictions on MSOs and LCOs including restricting their area of operation or restricting subscriber base to prevent monopoly. TRAI made its recommendations on 26.11.2013.

These recommendations were earlier discussed by Inter-Ministerial Committee (IMC) in its meeting held on 17.01.2014 and 22.01.2014 and the IMC accepted the recommendations. Meanwhile, the Ministry received representation from industry arguing that Herfindahl Hirschman (HHI) Index for measuring market concentration is not the appropriate tool in media sector. The matter has been examined in this Ministry

and not found feasible as the recommendations appear to be impractical. Views of Competition Commission of India are being sought in the matter.

(b) TRAI's recommendations on "Issues Relating to Media Ownership" dated 12.8.2014.

The Ministry on 16.05.2012 sought TRAI's recommendation on the issue of vertical integration in the broadcasting and TV distribution sector and cross media holdings across the TV, Print & Radio sector. TRAI has been asked to suggest measures that can be put to address vertical integration in order to ensure fair growth of the broadcasting sector. Further, recommendations of TRAI were also sought with respect to cross media ownerships with an objective to ensure plurality of news and views and availability of quality services at reasonable prices to the consumers. TRAI furnished its recommendations on 12.8.2014.

Two meetings of IMC have been held on 23.02.2018 and 28.03.2018. Presently the recommendations of TRAI are under consideration of IMC set up to examine TRAI recommendations.

(c) TRAI's recommendations on "issues related to New DTH Licenses" dated 23.07.2014.

The IMC constituted for the purpose of examining TRAI recommendations deliberated on recommendations of TRAI on "issues related to New DTH Licenses" dated 23.07.2014. The IMC observed that the matter of cross holding in DTH has to be taken into consideration in the larger context of other TRAI recommendations on cross media holdings. The IMC recommended that the restrictions in the existing DTH guidelines may continue till the matter is holistically resolved. Draft Cabinet Note regarding

amendments to the guidelines for providing DTH services in India, circulated to Ministries / Departments concerned on 12.03.2018, contained some provisions of cross holdings between broadcasters and Distribution Platform Operators (DPOs). The comments of all the Ministries / Departments are being examined for a view in the matter.

Provision of High Speed Broadband through Cable TV Network

(Recommendation Sl. No. 14)

The Committee note that the existing Cable TV networks, after certain technical upgradation, can be used for providing broadband services at high speed. The cable TV operators can lay overhead optical fibre access network much faster and economically in order to provide broadband services. Many MSOs are already providing broadband services over their cable TV network. TRAI has recommended provision of Right of Way (Row) and infrastructure status to MSOs and LCOs so that they can effectively lay their network and get financial assistance from banks for up gradation of their network. However, the Committee note that many MSOs/LCOs are not very keen on providing this facility. The consumers are kept devoid of this facility as the cable operators are not ready to pay the 8% Adjusted Gross Revenue (AGR) as fee to DoT as required to be paid to the Government on the total collection, including collection from the cable TV service. To avoid the payment of 8% of fee, most of the operators have created separate entities for providing internet services and are providing separate cables for the Internet service for which a separate Internet modem is also provided. For Internet service, the setup of the LCOs should be bi-directional whereas it is mainly unidirectional at present. If the issue of 8% of AGR fee is resolved, more & more operators would go for making their system bi-directional to provide Internet service on the same cable which is used for TV service. To give incentive to the cable operators, TRAI had issued a recommendation to DoT for waiving off the revenue from cable TV services from the

AGR for a period of four years. The Ministry of I&B and TRAI had raised this issue and Cabinet Secretariat had constituted a Committee to examine the issue and come out with recommendations. However, a final view could not be taken on this and now the issue is again under consideration of DoT. The Committee feel that there is an urgent need to have a relook at the issue of payment of 8% of AGR as fee which has held up the utilization of the existing vast Cable TV network across the country for providing high speed and reliable broadband connectivity in India. This step will not only tap the already existing Cable TV network for providing high speed broadband but will also reduce the burden on NOFN while also providing numerous employment opportunities in the sector. The Committee recommend the Ministry to impress upon DoT for an early decision in the matter.

Reply of the Government

This matter pertains to Department of Telecommunication. Reply from DOT has not been received so far. However, the position is as under: -

Presently, the cable operators have created separate entities for providing internet services and are providing separate cables for the internet service for which a separate internet modem is also provided to avoid payment of 8% of AGR as fee on total income earned from Cable services or Internet services both.

M/o I&B has already taken up this issue and it is under consideration of DoT. Recently, Hon'ble Prime Minister chaired a meeting on Digital India on 17.5.2018 wherein the issue of broadband through cable network was discussed as one of the agenda. Hon'ble PM desired that DoT may take necessary action to provide cable TV services and internet services through one cable. The matter is presently under consideration in DoT.

Sharing of Infrastructure

(Recommendation Sl. No. 16)

The Committee note that TRAI has recommended sharing of Head-end used for Cable TV services and transport streams transmitting signals of TV channels among MSOs on voluntary basis. TRAI has also recommended sharing of Conditional Access System (CAS) & Subscriber Management System (SMS) by the distributors of TV channels including Cable Operators. During consultations, most of the stakeholders have supported the idea of infrastructure sharing, on voluntary basis, in the Cable TV sector and acknowledged the fact that sharing of infrastructure will reduce the transmission and other costs of MSOs. Some MSOs have also opined that decrease in capital cost due to sharing of infrastructure will help them to invest in better technologies, increased competition due to lowering of entry barriers will result in better services and more choice to the subscribers and it will help in standardization of the networks thus reducing conflicts between service providers. Ministry of I&B have also emphasized that Authorized Officers of the State Governments and their representatives should be able to access the systems of NISOs/ LCOs to ensure that there are no violations of the provisions of relevant rules/guidelines and also to crosscheck the reported number of subscribers/ total collection from subscribers for the purposes of entertainment taxes etc. It was also said that, in shared infrastructure, the accountability of service providers will have to be ensured with reference to the SMS, their respective subscribers and to the respective State Government and local Administration as well as to the Central Government on all the relevant aspects. While appreciating the efforts- of TRAI to come out with the guidelines to implement sharing of infrastructure by different stakeholders, the Committee hope that the TRAI recommendations would encourage shared use of distribution network and services for delivery of broadcasting services to the subscribers and prevent duplication of efforts by the stakeholders.

Reply of the Government

This Ministry has made reference to TRAI on 29.04.2016 seeking recommendations on sharing of infrastructure by MSOs, LCOs and HITS operators for providing TV Services. TRAI furnished its recommendations on “Sharing of Infrastructure in Television Broadcasting Distribution Sector” on 29.03.2017. Secretary, Ministry of Information and Broadcasting chaired a meeting with the representatives of TRAI and Broadcast Engineering Consultants India Limited (BECIL) on 13.02.2018. The matter is under active examination of Ministry of Information and Broadcasting.

New Delhi;
28 December, 2018
07 Pausha, 1940 (Saka)

ANURAG SINGH THAKUR,
Chairperson,
Standing Committee on
Information Technology.

**MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON
INFORMATION TECHNOLOGY (2018-19) HELD ON 28TH DECEMBER, 2018**

The Committee sat on Thursday, the 28th December, 2018 from 1015 hours to 1040 hours in Committee Room No. '62', Parliament House, New Delhi.

PRESENT

Shri Anurag Singh Thakur – Chairperson

MEMBERS

Lok Sabha

2. Shri L. K. Advani
3. Shri Shyama Charan Gupta
4. Dr. Sunil Baliram Gaikwad
5. Shri Virender Kashyap
6. Dr. K. C. Patel
7. Shri D. K. Suresh
8. Shri Nagendra Pratap Singh Patel

Rajya Sabha

9. Smt. Kahkashan Perween
10. Dr. Vinay P. Sahasrabuddhe
11. Shri Binoy Viswam

SECRETARIAT

- | | | | |
|----|-----------------------|---|---------------------|
| 1. | Shri Y.M. Kandpal | - | Director |
| 2. | Dr. Sagarika Dash | - | Additional Director |
| 3. | Smt. Geeta Parmar | - | Deputy Secretary |
| 4. | Shri Shangreiso Zimik | - | Under Secretary |

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee convened to consider and adopt the following four Draft Action Taken Reports:-

- I. xxxxx.....xxxxx.....xxxx.....xxxxx.....xxxxx.....xxxx.....xxxxx.....xxxxx.....xxxx.....xxxxx;
- II. Action Taken Report on the Forty-fourth Report on 'Cable TV Digitization and Interoperability of Set Top Boxes' of the Ministry of Information and Broadcasting;
- III. xxxxx.....xxxxx.....xxxx.....xxxxx.....xxxxx.....xxxx.....xxxxx.....xxxxx.....xxxx.....xxxxx; and
- IV. xxxxx.....xxxxx.....xxxx.....xxxxx.....xxxxx.....xxxx.....xxxxx.....xxxxx.....xxxx.....xxxxx;

3. The Committee, thereafter, took up for consideration the above said Reports and after due deliberation adopted the same without any modifications.

4. The Committee, then, authorised the Chairperson to finalise and present the Action Taken Reports to the House during the current session of Parliament.

The Committee, then, adjourned

xxxxx....Matters not related to Report.

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/
RECOMMENDATIONS CONTAINED IN THEIR FORTY-FOURTH REPORT
(SIXTEENTH LOK SABHA)**

[Vide Paragraph No. 5 of Introduction]

- (i) Observations/Recommendations which have been accepted by the Government

Rec. Sl. Nos.:- 1, 2, 3,6,7, 8, 9, 10 , 17, 18, 19,21,23 and 24

Total 14

Percentage 58.33

- (ii) Observations/Recommendations which the Committee do not desire to pursue
in view of the replies of the Government

Rec. Sl. No.: 20

Total 1

Percentage 4.17

- (iii) Observations/Recommendations in respect of which replies of the Government
have not been accepted by the Committee and require reiteration

Rec. Sl. Nos.:- 4,5,11, 12, 15 and 22

Total 06

Percentage 25.00

- (iv) Observations/Recommendations in respect of which the replies of the
Government are of interim in nature

Rec. Sl. Nos.:- 13, 14 and 16

Total 03

Percentage 12.50