

Minutes of the Task Force meeting, on implementation of DAS, held on 1st June 2012

A meeting of the Task Force was held on 1st June, 2012. The meeting was chaired by Additional Secretary (B). List of participants is at Annexure. Following issues were discussed.

1) Additional Secretary welcomed the Task Force Members for the meeting and asked the Joint Secretary to make a presentation on the current state of progress made in digitalization. JS (Broadcasting) in her presentation highlighted the following points:

a) **Progress about seeding Set Top Boxes (STBs) by National level MSOs.** She highlighted that total number of STBs required for digitalization in 4 Metros is approximately 1,23,16,500. However, as against this up to 25th May, 2012 only 28,04,431 STBs were seeded, leaving a balance of 95,12,069 STBs. She further highlighted that though the number of STBs in stock was 14,61,469 and STBs for which orders have been placed is 109,70,000 but the rate of seeding of STBs was not at all encouraging given the fact that the deadline on digitalization was approaching fast. The data collected from the MSOs shows that on an average approximately 50 to 60 thousand STBs were being seeded per week whereas the rate should be approximately 2 lakh STBs per day. She exhorted all MSOs to gear up and ensure that the required speed is picked up to finish the task of digitalization.

b) **Data about Local Cable Operators:** It was informed to the Task Force that the Ministry has collected data about the total number of cable operators from post office directly. The number of LCOs is as below:

Delhi	:	1841
Chennai	:	1957
Kolkatta	:	421
Mumbai	:	2519

Therefore, the total number of LCOs in 4 Metros is 6852.

c) **Applications for MSOs:** Task Force was also apprised that 15 applications have been received from MSOs, out of which 5 applications have been finalized and are in final stage of approval. Balance 10 applications are under scrutiny.

d) **Publication of RIOs (Reference Interconnect Offers) and Agreements:** It was highlighted that as per the information available with the Ministry from TRAI around 25 Broadcasters have filed their RIOs with TRAI whereas no MSO has so far published their RIOs. Therefore, there was a concern that the delay in publication of RIOs and signing of agreements will have adverse impact on the speed of digitalization.

e) It was informed that a letter was received in the Ministry from the Government of Tamil Nadu seeking an extension of time for completing digitalization by 31st December, 2012. Task Force was also apprised that the Tamil Nadu owned undertaking i.e. M/s. Arasu Cable TV Corporation Limited, which is the largest MSO in Chennai, has placed a global tender on 21st May 2012 for procurement of STBs and supply and installation of Head End. As per the

tender schedule it is apparent that they would take time to set up necessary infrastructure for providing digital signals to subscribers in Chennai.

JS(B) also informed the Task Force that the team from MIB headed by Additional Secretary had a consultation with the State Government of Maharashtra. During the meeting with the Chief Secretary held on 24th May, 2012 the Chief Secretary had also requested for an extension of the time line for digitalization. It was promised by the State Government that a letter in this regard would be sent soon. Similarly, the Minister in charge Urban Development Government of West Bengal has also spoken to press seeking extension of the existing time line.

(f) Task Force was also informed that two court cases have been filed by the Cable Operators in Delhi and Mumbai and that the Ministry would file appropriate response to defend the cases.

After the presentation Additional Secretary requested Task Force Members to offer their views on the progress made on digitalization.

It was highlighted by the MSO Alliance representative Mr. Mansukhani that the slow progress in the seeding of STBs was attributed to a very low customer demand. He requested that the publicity campaign of the Ministry should be strengthened so as to reach everyone concerned. He also highlighted that IBF was to launch the second Phase of consumer campaign. However, that has not happened so far. He informed the Task Force that the MSO Alliance has prepared their own consumer campaign which would be launched in 10 days time.

Mr. Mansukhani and Ms. Roopa Sharma of COFI brought to the notice of the Task Force, a press advertisement which appeared in the Times of India by Videocon company regarding the promotion of their DTH Platform. They raised the objection to the text of the advertisement mentioning that the advertisement was misleading as it says that the "The cable would cease to exist by 30th June". It was informed by JS(B) that the Ministry has taken note of this advertisement and a letter is being issued to Videocon to stop such misleading campaigns. Shri Mansukhani mentioned that the RIOs published by the Broadcasters were very tough as the technical standards asked by the Broadcasters were difficult to achieve as there were several conditions of anti-piracy, Subscriber Management System etc which may lead to court cases. On this point Additional Secretary mentioned that there should be zero tolerance to piracy and cheating.

Ms. Roop Sharma highlighted that the consumer engagement at the field level has not yet started which would ultimately give an advantage to DTH. She also mentioned that the message with all TVs in a house should get a separate Set Top Box needs to percolate. Ms. Sharma highlighted that there were complaints that MSOs were not giving STBs to the consumers. The seeding time also was less due to power cuts etc. It was mentioned by her that in certain areas, like Kapashera etc., digital line was not available. Mr. Mansukhani mentioned that a list of those areas could be given to the MSO Alliance for them to check. Ms Sharma further highlighted that the revenue sharing arrangement proposed by TRAI was

not agreeable to the cable operators and that they wanted to approach TRAI in this regard. Several consumer related issues regarding entertainment tax to be paid in the case of multiple TVs in a home, power consumption by STBs and the tariff needed to be clarified.

Shri Heman tUpadhyay, representing consumers, expressed his concern regarding very little time available for consumer information. He was of the view that since the consumer awareness has really not reached grass roots people, it is difficult for a consumer to make a decision about when to purchase STBs etc.

Shri Mohan from IBF mentioned that the rates by broadcasters were more or less the same i.e. 42% for non CAS and that charged from DTH operators. Therefore, he wanted the agreements to be signed quickly.

Additional Secretary pointed out that as per the decisions taken in the COS on digitalization, Ministry of IT was to convene a Sub Group for discussing promotion of indigenous manufacturing of STBs. However, no progress seems to have been made in this regard. CEAMA representative volunteered to take up the issue with IT and follow up.

At the end of discussion Addl. Secretary asked the Task Force Members to look at the issues posing challenge to switch of date of digitalization dates in the Metro cities. He pointed out that the requests from the State Governments, slow progress of seeding of STBs, lack of agreements signed between Broadcasters & MSOs and between MSOs and Cable Operators and low reach of the consumer awareness campaign might have an adverse effect on the sun set dates in the Metro cities. He, therefore, asked the Task Force Members to work out realistic time lines for achieving the goal of digitalization in Metro cities. The Task Force members worked out the following schedule:

- i) Publication of RIOs and signing of Interconnection Agreements between MSOs and Broadcasters by 31st July, 2012. They said that 60 days' time was required for negotiations and signing contracts. It also provides some lead time for certain delays in case the agreement fails and TRAI needs to intervene.
- ii) Agreements between MSOs and Local Cable Operators. As per clause 5(18) of Interconnect Regulations 2012 by TRAI, MSOs cannot make available signals of TV channels to any linked LCO without entering into a written interconnection agreement. The members said that 60 days' time would be required for signing of these agreements after the agreements are signed between broadcasters and MSOs i.e. these agreements would be signed by 30th Sept 2012.
- iii) The members added that after the interconnect agreements are signed between broadcasters and MSOs (31st July 2012), about 100 to 120 days' time would be required for seeding of balance 70 lakh STBs. Thus the requisite number of STBs would be completed by 30th Nov 2012.
- iv) It was further mentioned by the members that 15 days' time would subsequently be required for switchover from the present arrangement of digital plus analogue to only digital.

Additional Secretary concluded the meeting by saying that the issues raised and the time lines suggested by the Task Force members would be brought to the notice of the competent authority.

It was decided that the next meeting of the Task Force would be held on 15th June 2012 at 1530 hrs.

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