

CONFIDENTIAL



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(Attention: Mr Twang Geng Chong)
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Dear Ms Lee,

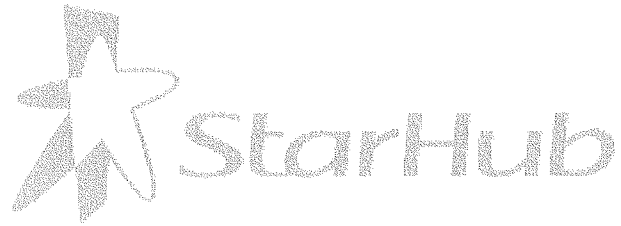
PUBLIC CONSULTATION ON THE CODE OF PRACTICE FOR TELEVISION BROADCAST STANDARDS

1. We refer to the consultation paper issued by the Media Development Authority of Singapore (“**MDA**”) on 9 December 2013, in regard to the Proposed Code of Practice for Television Broadcast Standards (“**the proposed Code**”).
2. StarHub Cable Vision Ltd (“**StarHub**”) is grateful for the opportunity to comment on the proposed Code. Our comments on the proposed Code are set out in the attached paper.
3. Please do not hesitate to contact me should anything in this letter require clarification or elaboration.

Yours sincerely,
For and on behalf of
StarHub Cable Vision Ltd

A handwritten signature in black ink, appearing to read "Tim Goodchild".

Tim Goodchild
Government & Strategic Affairs



STARHUB CABLE VISION LTD RESPONSE TO

MDA CONSULTATION PAPER

“CODE OF PRACTICE FOR TELEVISION BROADCAST STANDARDS”

9 December 2013

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1. SUMMARY

1.1 We refer to the consultation paper issued by the Media Development Authority of Singapore (“MDA”) on 9 December 2013, in regard to the Proposed Code of Practice for Television Broadcast Standards (“**the proposed Code**”). StarHub Cable Vision Ltd (“**StarHub**”) is grateful for the opportunity to comment on this matter, and our views on the consultation are set out below.

1.2 StarHub would note that the consultation is seeking comments on the following areas:

- a) Service coverage;
- b) TV signal strength;
- c) Picture and audio quality;
- d) Reliability and
- e) Audio loudness.

1.3 StarHub has carefully reviewed the proposed Code. Whilst we understand the Authority’s objectives, we would respectfully submit that the requirements in the proposed Code are unduly onerous and impractical for subscription TV licensees’ full compliance of the proposed Code. The proposed Code does not take into account the licensees’ business costs, and would be creating tedious operational burdens through these proposed onerous regulatory obligations. In addition the Authority has failed to identify either the market failure necessitating further regulation obligations or the failing of the existing regime.

1.4 We would submit that any impractical requirements should be removed from the proposed Code, and that the existing regime is entirely adequate. StarHub’s detailed comments on the proposed Code are set out below.

2. SECTION 1.5 - DEFINITIONS

“Managed transmission TV service” / Unmanaged transmission TV service”

2.1 It is critical that the terms used in the proposed Code are carefully and unambiguously defined. Unfortunately, several areas of the proposed Code are not fully defined, which will make it extremely difficult for Licensees to comply with the proposed Code.

2.2 For example, the definitions of “*managed transmission TV service*” and “*unmanaged transmission TV services*” are based on the concept of service level agreements (“**SLAs**”). The definition of “Managed transmission TV service” refers to a service where the Licensee “*has control over the quality of service delivered to the*

viewer ... by means of a service level agreement”; while the definition of "Unmanaged transmission TV service" refers to a service where the Licensee “cannot control or guarantee the quality of service delivered to the viewer, either because it does not own or operate the network, or because there is no adequate service level agreement with network service provider”.

2.3 However, the proposed Code is entirely silent as to what will be considered an “adequate” SLA. Should the proposed Code be interpreted as meaning that any SLA which does not give the Licensee 100% control over the service delivered to viewers would be “inadequate”, therefore meaning that the service offered (by definition) was a “unmanaged transmission TV service”? Similarly, would the SLA provisions under the OpenNet Interconnect Offer, or the Network Lease Agreement, be considered as “adequate” or “inadequate” by the proposed Code. Given this vagueness, StarHub would respectfully suggest that references to SLAs in the definitions should be deleted.

“Must carry channels”

2.4 The proposed Code defines “must carry channels” as the free-to-air nationwide terrestrial TV channels provided on subscription nationwide TV service. However, we would note that not all free-to-air nationwide terrestrial TV channels are designated as “must carry channels”. For example, there are instances where the carriage of MediaCorp’s free-to-air channels is a commercial arrangement. We would propose to revise the definition of “must carry channels” to:

“Must carry channels” mean the free-to-air nationwide terrestrial TV channels provided on subscription nationwide TV service, as directed by the Authority.”

Viewer Complaints

2.4 The proposed Code requires the submission of quarterly reports pertaining to viewer complaints, covering various regulatory requirements (including service coverage, TV signal strength, picture and audio quality, service reliability and audio loudness). However, the proposed Code fails to define what is meant by a “complaint”, which creates confusion and subjective interpretations.

2.5 For the sake of clarity (and compliance), StarHub would propose the definition of a viewer complaint to be:

“Viewer complaints mean a formal written expression of dissatisfaction or resentment of the service offerings provided by the Licensee, which the Licensee has not been able to adequately address.”

Outage

2.6 Given that the consultation is in regard to TV broadcast standards, it is essential for the proposed Code to provide a clear definition on what is an “outage” and what it entails. This definition is necessary, so that Licensees have clarity when seeking to comply with their outage reporting obligations.

2.7 It is necessary to clarify in that definition that: (i) planned routine maintenance; (ii) natural phenomenon (such as sun outages); and (iii) outages of the signal at source should not be considered as “outages”. We would note, in particular, that if planned maintenance is to be regarded as an outage, this would discourage Licensees from maintaining and upgrading their infrastructure, which would be counter-productive.

2.8 Furthermore, the definition of “outage” should include a minimum duration of continuous breakdown in transmission before it can be considered as an outage. Otherwise, a once-off 5 minute programme intermittent could technically be construed as an outage. Reporting on such incidents would be burdensome and operational impractical. We would therefore propose the definition of “outage” as:

“An unplanned ad-hoc transmission disruption that affect the whole channel(s), which is under the control of the Licensee, over a period of more than 2 hours, involving 100,000 viewers in Singapore.”

3. QUARTERLY REPORTS ON:

- (i) SERVICE COVERAGE (SECTION 2.3.3(B)),
- (ii) TV SIGNAL STRENGTH (SECTION 3.3.3(B)),
- (iii) PICTURE AND AUDIO QUALITY (SECTION 4.2.3(D)),
- (iv) SERVICE RELIABILITY (SECTIONS 5.2.2(G) & 5.3.3(F)) AND
- (v) AUDIO LOUDNESS (SECTION 6.2.3(E))

3.1 StarHub already provides a very wide range of detailed reports to the Authority. Unfortunately, no attention has been given to reducing the burden of these reports, or to ensuring that the reports are still needed. These reports are unduly burdensome, and unnecessarily increase Licensees’ compliance costs.

3.2 In addition, under Section 3.3.3(b) of the proposed Code, StarHub is required to submit quarterly reports on complaints about TV signal strength. However, in many cases these complaints will be entirely outside of StarHub’s control. For example, complaints about StarHub’s carriage of MediaCorp’s free-to-air channels are outside of our control as we are merely re-transmitting the signals. The same issue arises in regard to the turnaround channels from overseas content providers that StarHub carries on its network. We strongly submit that StarHub cannot be held accountable for complaints if they are related to the actions of a third-party.

3.3 We would also note that the proposed obligation to submit reports even when no complaints have been received is time consuming and unnecessarily burdensome.

We are at a loss to understand the need to submit reports about non-existent complaints.

3.4 StarHub is concerned by the operational burdens set out in the proposed Code. It is unclear why additional burdens are needed, and why the existing regulatory regime is inadequate. StarHub operators its services with a very high level of reliability, and a very low level of customer complaints. We submit that the additional reporting requirements set out in the proposed Code are entirely unnecessary, and should be removed from the draft.

4. SERVICE COVERAGE REQUIREMENTS

Section 2.3.2 - Obligations for Licensees to Meet Specified Requirements

4.1 The Authority has stated that the proposed Code is to establish TV broadcast standards. It is therefore unclear why unrelated roll-out obligations have been included under Section 2.3.2(a) of the proposed Code. We would note that Section 2.3.2(a) of the proposed Code requires that a cable TV Licensee must roll out its Digital cable TV services to any person who makes a request to connect to the Licensee's network. This obligation is inconsistent with StarHub's licence conditions, where the Authority has specifically removed this specific clause (on the grounds that StarHub has already fulfilled the obligation). StarHub therefore strongly submits that Section 2.3.2(a) of the proposed Code should be deleted in its entirety.

4.2 Similarly, the Authority is proposing to impose an onerous obligation (which is beyond the control of StarHub) under Section 2.3.2(b) by requiring the Licensee to roll out its IPTV service to any person who makes a request for it. We would highlight two issues arising from this obligation:

- (a) Firstly, Section 2.3.2(b) requires the Licensee to provide service to any person requesting it. However, there is no requirement in the proposed Code for the person requesting the service to be the property-owner. As it is currently drafted, the proposed Code requires StarHub to offer service to any minor who requests it.
- (b) Secondly, it is critical to note that the provision of IPTV services is dependent on the provisioning of connectivity by OpenNet. Unless OpenNet provisions this capacity to the customer, there is no way for StarHub to provide its IPTV service. Despite StarHub's willingness to provide our service to the customers, we would not be able to do so if OpenNet has not installed its connection to the homes of customers.

4.3 StarHub would propose to delete this Section in its entirety or to amend this Section to as follow:

“A Licensee shall ensure that the nationwide IPTV services it may provide will be made available to any ~~person~~ property owner in Singapore who makes a written request to the Licensee, on the condition that the property is connected with the NGNBN, in line with their established policies.”

5. SECTION 3 – TV SIGNAL STRENGTH REQUIREMENTS

Section 3.3.2 - Obligations for Licensees to Meet Specified Requirements

5.1 Section 3.3.2(a) of the proposed Code states that the TV signal strength for StarHub’s cable TV services must not fall below 47 dBuV. StarHub would highlight that this should only be applicable to StarHub’s original cable points as per StarHub’s licence.¹ StarHub should not be held responsible for modification of points and/or additional points established by the property-owner.

5.2 In addition, Section 3.3.2(b)(ii) of the proposed Code requires a Licensee who is providing Analogue cable TV services to comply with the proposed signal quality standards of the FM frequency band. StarHub would note that we receive the FM channels over-the-air rather than via a dedicated transmission link from MediaCorp. As such, this would be subject to off-air interference (which was explained to the Authority in StarHub’s letter of 14-November 2006). The Authority subsequently granted StarHub an exemption (on 22 December 2006) from the obligation to comply with the applicable quality standards requirement. StarHub would propose to delete Section 3.3.2(b)(ii) in its entirety.

5.3 Similarly for Section 3.3.2(c), we would reiterate that StarHub can only be held responsible for the original cable outlets for the minimum required TV signal strength. Any additional and/or modified cable outlets should be excluded from the proposed requirements.

6. SECTION 4 – PICTURE AND AUDIO QUALITY REQUIREMENTS

Section 4.2.2 - Obligations for Licensees to meet specified requirements

6.1 Section 4.2.2(a) of the proposed Code requires cable TV or IPTV services to achieve a picture and audio grade of 5 on the ITU-R- 5-Point Quality Grading Scale. However, this obligation is entirely inconsistent with the obligations in StarHub’s licence. As clearly set out in StarHub’ licence, a picture and audio grade of 5 on the

¹ Where the Authority defines the outlets to “*exclude all outlets that are connected to (StarHub’s telecommunication system used in connection with the Service without... (StarHub’s) approval or authorisation*”.

ITU-R 5-Point Quality Grading Scale is only required for “live” programmes under the licence. As “recorded” programmes undergo a compression and de-compression process, it is unreasonable and impractical to achieve a picture and audio grade of 5 on the ITU-R 5-Point Quality Grading Scale for those programmes. Recognising this, StarHub’s licence has only required a picture and audio grade of 4 on the ITU-R 5-Point Quality Grading Scale for recorded programmes.

6.2 If the Authority is seeking to impose a grade of 5 on all content, this is effectively seeking to amend StarHub’s Licensee, without complying with the obligations set out under the Broadcasting Act. We strongly submit that this obligation should be amended, to comply with the terms of StarHub’s Licence.

6.3 The Authority will be aware that most of the subscription TV services’ content originates from overseas. StarHub is not able to control the picture and audio quality of the transmitted programmes from such content. StarHub would propose that the proposed obligation should be amended so that this requirement is only applicable to the self-packaged channels under the Licensees’ control.

7 Section 4.2.3 - Compliance with Obligations

7.1 Section 4.2.3(b) of the propose Code states that “A Licensee shall also carry out routine assessments of the technical quality of its TV services.” However, this requirement is vague and subjective. Further clarification would be necessary in regard to the frequency of “routine assessments” so as to reduce confusion and subjective interpretation.

7.2 Similarly, Section 4.2.3(c) of the proposed Code requires Licensees to attend to, handle, and provide proper avenues to resolve viewer complaints / feedback in a speedy manner; within such period of time as may be specified by the Authority. Again, this obligation is unreasonable and impractical. Some complaints will be complex in nature; and/or will involve external parties; complicating the resolution of any complaints. StarHub would therefore propose that this clause refer to resolution in a “reasonable time period”.

7.3 In addition, as highlighted above, StarHub does not have control over the picture and audio quality of programmes in turnaround subscription TV channels, as given they originate from source. If an overseas content provider is experiencing intermittent issues, it would be beyond StarHub’s control to resolve the issue within a timeframe specified by the Authority. StarHub would propose to revise this section to:

“A Licensee shall, within a reasonable time duration, attend to and handle, as well as provide proper avenues for the resolution of viewer complaints or feedback relating to picture and audio quality within its control of its network.”

8. SECTION 5 - RELIABILITY REQUIREMENTS

Section 5.1 – Introduction

8.1 Section 5.1(b) of the proposed Code states that the “standards of reliability” for unmanaged transmission TV services are applicable up to the point “*where the Licensee has control over service availability, typically at the webhosting server level*”. For reasons of clarity, we submit that it is necessary for the proposed Code to specify that Licensees can only be responsible for matters within its own network; and that they are not responsible for an external access network.

8.2 We also submit that Section 5.1(d)² is subjective and impractical, and should be amended. The clause has two main flaws:

- First, the clause fails to specify the scale and duration of an “outage”. Taken literally, this clause could mean that an incident impacting 1 customer for 1 second is defined as an “outage”.
- Second, the clause relies on the “*the subjective quality of a channel or service*”, which should not be “*annoying to viewers*”. This obligation is too subjective and unreasonable, and a regulatory obligation cannot be based on whether some viewers find it “*annoying*”. We would note that viewers will have very different views as to what constitutes annoying viewing, making it almost impossible for a Licensee to comply with this obligation.

8.3 Section 5.1(b) of the proposed Code is too impractical and subjective. If the Authority wishes to include an obligation on Licensees in regard to outage measurement, clear and workable criteria are needed. StarHub would propose to refine the Section to as follow:

“An outage is considered to have occurred when there is a complete absence of channel or service for at least 2 hours and when it affects more than 100,000 viewers in Singapore. This would include instances where there is a continuous intermittent or persistent loss of audio or video for more than 2 hours for one or more channels.”

8.4 Furthermore, to calculate channel ORI from the content source onwards as per Section 5.1(e) is impractical and operationally impossible. As highlighted above, most subscription TV content originates from overseas, and it would be impractical to calculate channel ORIs from an overseas point. Clearly, the channel ORI must be

² *“An outage is considered to have occurred when (i) there is an absence of channel or service, or (ii) the subjective quality of a channel or service is annoying to viewers. This would include instances where there is an intermittent or persistent loss of audio or video for one or more channels, or when the broadcaster is incapable of maintaining the subjective quality of a channel or service at Grade 3 or more on the ITU-R 5-Point Scale.”*

calculated from the point at which the Licensee receives the content at its Video Headend in Singapore.

9. Section 5.2.2 - Obligations for Licensees to Meet Specified Requirements

9.1 Section 5.2.2(a)-(b) of the proposed Code requires the Licensee to maintain a minimum monthly Channel ORI of 99.80% and 99.90% respectively for each individual channel. These proposed requirements are in contradiction with StarHub's licence obligations, and are an onerous extension of the regulatory obligations on StarHub.

9.2 We would highlight that StarHub's Licence obligations only require the submission of monthly service ORI. However, under the proposed Code, StarHub - which carries 200 channels - would have to submit up to 200 separate monthly ORI reports. This obligation is clearly unreasonable, and should be removed.

9.3 Similarly, StarHub cannot accept the obligation under Section 5.2.2(b) to have a minimum ORI of 99.90% for the carriage of MediaCorp's free-to-air channels. We would emphasise that StarHub simply re-transmits the MediaCorp's channels. StarHub does not control the source of the MediaCorp's channels, or their reliability.

10. Section 5.2.3 – Compliance with obligations

10.1 Section 5.2.3(a) of the proposed Code requires the nationwide TV Service Licensee to submit monthly individual channel and service ORI reports. As noted above, this obligation is onerous and in contradiction to the Licence obligations. By artificially computing monthly ORI based on individual channels and service levels would only be labour-intensive, operationally-cumbersome and entirely impractical. StarHub believes that the current computation of the monthly overall service ORI is sufficient, and able to effectively measure the reliability of the Licensee's services. The nature of subscription TV means that customers would usually subscribe to a group of channels rather than just a particular channel. If there is transmission disruption of a specific channel, the customer would still have access to the alternate subscribed channels that he subscribes to. It does not signify that the customer has been deprived of complete TV viewing. We would note that on the broadband front, there is no reporting requirement if a particular website is down as customers would still have access to other websites. IDA only requires the operator to report a monthly overall network availability quality of service rather than drilling down into specific website outage.

10.2 Whilst we note that Section 5.2.3(e) of the proposed Code states that "*outages that occur due to factors not under the control of the Licensee may be exempted from the computation of ORI results, although they should be recorded in the monthly ORI reports...*", we submit that the sentence should be amended to "*shall be*" exempted. If the proposed Code is seeking to create an exemption in regard to matters outside of the Licensee's control, that exemption should be included in the proposed Code.

11. Section 5.3 – OTT TV Services

Section 5.3.2 – Obligations for Licensees to meet specified requirements

11.1 Given that the proposed Code is seeking to regulate TV broadcast standards, it is necessary for the proposed Code to provide clear definitions. For example, the proposed Code should provide a proper definition of “*webhosting server level*”, and clarify whether this is a reference to the CDN or otherwise.

11.2 StarHub would submit that the requirements set out in Section 5.3.3(d), in regard to recording and reporting all outage incidents for OTT services, is impractical and unreasonable. This obligation cannot – realistically - be achieved; and suggests a misunderstanding as to the manner in which OTT TV services operate. Given the nature of OTT TV services, StarHub will not be aware of outages outside of its network, and so we cannot comply with this obligation. StarHub strongly believes that this obligation is unnecessary, given the competitive nature of the market, and the fact that StarHub is simply providing broadcasting services. StarHub would propose to delete Section 5.3 in its entirety.

12. SECTION 6 – LOUDNESS REQUIREMENTS

Section 6.2.2 – Obligations for Licensees to meet specified requirements

12.1 This obligation sets an obligation on Licensees to “*maintain consistency in the loudness of all digital audio broadcasts*”. StarHub can comply with this obligation in regard to its self-packaged channels. However, StarHub cannot directly control the audio level for its turnaround channels, which are under the direct control of an overseas content provider. We would note that:

- Typically, StarHub is contractually prevented from modifying any parts of the content providers’ content (including the volume of the content). Any act by StarHub to modify the content providers’ content would put StarHub in breach of the contract and liable to litigation.
- Given the nature of these turnaround channels, StarHub is merely passing through the signals that have been downlinked via the satellite and immediately re-transmit via our network to the customers. Simply put, there is no downtime/delay for modifying the content.

13. CONCLUSION

13.1 StarHub operates its subscription TV services with a high level of reliability and a very low level of customer complaints. It is therefore necessary for the Authority to ensure that any new regulatory obligations are balanced and proportionate. Rather than seeking to simply impose onerous and unworkable new obligations, the Authority seeks to minimise compliance costs and report generation. We are particularly concerned by those aspects of the proposed Code which would effectively modify the terms of StarHub's Licence (without following the process set out under the Broadcasting Act).

13.2 To take this matter forward, we strongly believe that the Authority should hold working sessions with the key Licensees. Those sessions could be used to identify the Authority's regulatory objectives, the practical issues on the ground, and the most effective way to address the Authority's objectives.

13.3 StarHub welcomes the opportunity to comment on this issue, and we would request the opportunity to discuss this matter further, prior to finalisation of the proposed Code.
