

**THE UNITED REPUBLIC OF TANZANIA
TANZANIA COMMUNICATIONS REGULATORY AUTHORITY**



**PUBLIC CONSULTATION DOCUMENT ON
SUBSCRIPTION BROADCASTING SERVICES IN
TANZANIA**

Issued by:

The Director General
Tanzania Communications Regulatory Authority
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EXECUTIVE SUMMARY

This Public Consultation Document deals with the way forward on how the subscription broadcasting services are to be organised and regulated in Tanzania.

The document addresses key issues ranging from the broadcast landscape in Tanzania, growth of subscription broadcasting services to emergence of support services for subscription broadcasting services and attendant regulatory frameworks.

The main issues in this document is that in the next few years, with adoption of digital technology broadcasting operators and telecom operators will battle for airwaves to provide compelling content services for subscription because of abundant availability of spectrum.

The situation therefore needs flexibility to address the regulatory complexity in the broadcast industry brought about by digitisation.

The document therefore discusses how the subscription broadcasting service should be organised and regulated to encourage competition provide more choice and diversity and above all provide opportunities for horizontal expansion and create jobs.

COMMENTS BY STAKEHOLDERS

The Authority invites comments and written representations from the operators/public and stakeholders to reach the undersigned within **ONE MONTH** from the date of first publication of this document.

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1.0 INTRODUCTION

- 1.1 This public consultation document on subscription broadcasting services seeks to address the regulatory void created by the expansion of the broadcasting services and the advancement of technology.
- 1.2 The introduction of the Converged Licensing Framework (CLF) on February 23,2005 was indeed a regulatory measure intended to sort out the way the communication sector ought to be regulated and organised to make it respond to the developmental challenges of the 21st century.
- 1.3 The CLF introduced four categories of licenses namely; Network Facility License (NFL), Network Services License (NSL), Content Service Licence (CSL) and Application Service Licence (ASL). The licenses are intended to give more flexibility on businesses to expand horizontally and give regulatory certainty to investors.
- 1.4 This document is therefore part of an analysis of the subscription broadcasting services aimed at giving content services licenses more business flexibility within the Converged Licensing Framework (CLF) for investors to enjoy expansion of businesses and benefit from advancement of technologies.

2.0 THE BROADCASTING LANDSCAPE IN TANZANIA

- 2.1 When Broadcasting services were introduced in the country in 1965 only one radio station known as Radio Tanzania owned by the government was on air. Later a privately owned Radio Sauti ya Injili controlled by the Lutheran Church was established not as a competitor to the state owned Radio station but a complementary service offering predominantly religious content as well as community broadcasting services.
- 2.2 Radio Tanzania had a monopoly on mainland Tanzania while Sauti ya Tanzania Zanzibar and Television Zanzibar monopolized the airwaves on the Isles.
- 2.3 Monopoly of the airwaves was broken in 1993 when the government liberalised the industry with the introduction of the Broadcasting Services Act No.6 of 1993.

- 2.4 The Act signalled a new era in the broadcasting industry in Tanzania. It broke the erstwhile monopoly and introduced competition, diversity and pluralism.
- 2.5 The regulator was created to ensure that the industry was well organised to realize the targeted national goals of universal access to information.
- 2.6 The regulator established a regulatory framework for licensing private commercial stations and public stations and made regulations to govern the operations of the industry.
- 2.7 The licensing regime was such that it bundled all the broadcasters into one broadcasting but subdivided into categories along technology lines e.g. radio broadcasting, television broadcasting (free to air), cable broadcasting and wireless pay television (MMDS).
- 2.8 Since 1993 the broadcasting industry has grown from strength to strength. As of 28th June,2006, a total of 59 broadcasting operators (free to air) were granted new licences according to the new Converged Licensing Framework.
- 2.9 The broadcasting services have been diverse offering different types of content services ranging from free to air to subscription broadcasting services.
- 2.10 Over the years subscription broadcasting services have grown and expanded to the extent that there is a need to address some of the pertinent regulatory issues if the industry is to be well organised to meet the challenges ahead.
- 2.11 The regulations and rules introduced by the Authority in 2000 were largely, meant to address free to air broadcasting services leaving a regulatory void on subscription broadcasting service which is growing fast.
- 2.12 Broadcasting in Tanzania, both radio and television is predominantly free to air. It is largely analogue transmitted terrestrially. It is characterized by three modes of transmission, each requiring viewers to have suitable receiving equipment.

2.13 The transmission mode with their respective receiving equipment are identified as:

- (a) Terrestrial transmission (requiring a suitable domestic antennae or dish),
- (b) Satellite transmission (requiring a satellite dish), and
- (c) Cable transmission (requiring a physical cable link to the receiving equipment).

2.14 Large population use free to air transmission because such kind of transmission doesn't need any subscription to view or listen to any kind of radio or television programme.

Radio broadcasting is by far the most accessed service than television. Radio broadcast cover the whole country, while television covers largely 20 major urban areas.

3.0 DEVELOPMENT OF SUBSCRIPTION BROADCASTING IN TANZANIA

3.1 Subscription broadcasting services especially cable television services have developed tremendously over the years. Since 1995 when the first cable television licensees were granted the services has expanded from cities urban areas and district towns. There are 34 licensed Cable Television service providers and one subscription television that is accessed in the country but originates from a foreign country. Most of **BIG** cable television operators are now on broadband with capability of offering a number of enhanced services on digital platform.

3.2 Increased number of channels offered through cable services, have motivated many viewers to subscribe to cable television services.

3.3 Availability and expansion of power supply to most district towns has attracted many small cable operators to start business at district level and in turn has impacted on audience size and configuration.

3.4 Satellite broadcast subscription service has slowly but steadily been growing. The growth of satellite broadcasting by subscription is less than the growth of cable television subscription services because of high initial costs of accessing the service. Above all, the monthly subscription fees are so high that has turned it a hindrance to growth.

- 3.5 Satellite subscription growth has been accelerated by the availability of power supply to those areas which had no electricity.
- 3.6 Subscription of Radio programmes through satellite and cable services is not popular than television because receiver equipment for radio are expensive and limited in supply.
- 3.7 Radio and television programmes offered through cable and satellite transmission need subscription in order to access programmes.
- 3.8 As of June, 2006, about 15,000 people subscribed to programmes offered through satellite transmission and cable services.

4.0 THE NATURE OF SUBSCRIPTION BROADCASTING SERVICES

- 4.1 Subscription broadcasting service is **NOT** received free to air. The signal has to be scrambled or encrypted or encoded. Scrambling or encryption means a systematic way or method of changing a broadcasting signal in a way that would be unintelligible to receive signal without a suitable receiving equipment. In order to watch the signal the end user has to have an equipment that decodes the signal for normal viewing. The equipment suitable for that task is called decoder.
- 4.2 The commercial nature of subscription broadcasting services is based on the part that it operates for a profit and that operations is reflected in the contractual relationship between the service provider and the subscriber.
- 4.3 In order for the subscriber to receive the services, the subscriber must have the decoder.
- 4.4 The offering of programming to the subscriber constitute the core business of subscription broadcasting services.

Programming services offered by the service provider are packaged into content bouquets and are part of the contractual relationships between the service provider and the subscriber.

- 4.5 Access to programming or content bouquets provides the subscriber with freedom of choice between a variety of channels along with the capability and responsibility to select the content they wish to receive, watch, listen or block from receiving.

- 4.6 The fact that subscribers choose to enter into a contract voluntarily to view content and have the ability to control the programme they receive is another characteristic that sets subscription broadcasting services very distinctive from free to air services.
- 4.7 The above mentioned characteristics supports the principle of minimal regulatory approach to subscription broadcasting than free to air broadcasting service.
- 4.8 A key feature of the service delivery irrespective of platform used will be encryption requiring the use of a consumer access device or set top box with decoding abilities and conditional access hardware or software in order to receive content.

5.0 FUTURE OF THE BROADCAST SUBSCRIPTION INDUSTRY MARKET

- 5.1 The future of the subscription broadcasting market lies in the fact that there is going to be much more specialisation on core business for content creation, distribution, transmission, delivery and provision of support services for subscription management. This is the future trend of the industry.
- 5.2 The digitalisation of content has allowed content to be offered on any device network of platform. Very recently, in June 2006, ITU approved planning for introduction of terrestrial digital broadcasting (specifically frequency bands 174-230 MHz and 470-862 MHz) using the DVB family of standards. This has made possible for Digital video Broadcast to be available in many platform namely; satellite (DVB-S and DVB-S₂); cable (DVB-C); terrestrial television (DVB-T) and terrestrial television for hand held (DVB-H).
- 5.3 Digitalisation of content has paved the way to convergence of technology. The convergence of technology has made possible for viewers to access a wider range of services delivered via television sets. Integration of different service to be offered in one device, has resulted on TV sets to be used as computer end terminal device.

6.0 REGULATION OF SUBSCRIPTION BROADCASTING SERVICES

- 6.1 The Broadcasting Services Act No.6 of 1993 bundled Subscription Broadcasting services the same as free to air services but under a category of cable broadcasting services. The licenses were technologically aligned.
- 6.2 With the introduction of the CLF on 23 February 2005 subscription broadcasting services were categorized as Content Services but without an in depth analysis of the nature of the services and the different services offered within the subscription category.
- 6.3 In this document an attempt is made to analyse the different services offered by different service providers and recommend a licensing framework.
- 6.4 The CLF bundled all subscription services into one category of licence.
- 6.5 This document recommends the unbundling of the services into the following categories:-
 - 6.5.1 Terrestrial subscription broadcasting services. (e.g. MMDs, DVB-H)
 - 6.5.2 Non-Terrestrial subscription broadcasting services via Internet (e.g. IPTV).
 - 6.5.3 Cable subscription broadcasting services (CTV, Broadband).
 - 6.5.4 Satellite subscription broadcasting service (DTH).
 - 6.5.5 Subscription support service (SSS).
- 6.6 The services offered by (1)-(4) clearly do not much elaboration for they are self-explanatory but the services offered by (5) above need more clarification.
- 6.7 The expansion of subscription broadcasting services has attracted the establishment of support service that strengthen the smooth handling of subscribers in terms of the following:-
 - 6.7.1 subscriber management support
 - 6.7.2 subscription fee collection services
 - 6.7.3 national call centre
 - 6.7.4 marketing and sales
 - 6.7.5 technical and installation support.

6.8 The 5th category of licence proposed is envisaged to promote flexibility on the CLF, promote market liberalisation, promote investment and encourage entry into the market.

7.0 PROVISION OF CONTENT IN MULTIPLE PLATFORMS

7.1 Globally with some exceptions (e.g. U.S.A, Germany, etc), television and radio broadcasting has traditionally been dominated by terrestrial networks using analogue technology.

7.2 Direct to Home (DTH) satellite operators and new digital cable networks have expanded as delivery platforms for digital broadcasting in those countries where analogue terrestrial is dominant network.

7.3 Recently, broadband networks have established themselves as serious digital television platform (i.e. IPTV) and broadcasting content (television and radio programming services) is now available from mobile operators using 3G networks.

7.4 Internet Protocol Television (IPTV) is another opportunity which gives challenges to future market for content development.

7.5 IPTV is a system where television content is digitally delivered using the Internet Protocol over a network infrastructure, which may include delivery over broadband connection. For residential users this type of service is often provided in conjunction with video on demand and voice over Internet Protocol (VoIP).

7.6 IPTV is growing rapidly and major television broadcasters worldwide are transmitting their broadcast signal Over the Internet. As of June,2006, there were over 1300 free IPTV channels available over the internet.

7.7 Because IPTV uses standard network protocols, it promises lower cost for operators and lower prices for users. This is expected to add value in Internet Content Subscription services and many people may develop interest of subscription to this service.

8.0 TERRESTRIAL PAY TV

- 8.1 Basically, terrestrial Pay Television in Tanzania was offered using Multipoint Multimedia Distribution System (MMDS), Radio frequency spectrum. The services currently has ceased due to internal company problem and violation of Regulatory requirements.
- 8.2 Terrestrial Pay Television programme channels are encrypted to ensure that only paying subscribers are able to access the content.
- 8.3 Different from cable and satellite mode of transmission, terrestrial pay television, is achieved by using ground transmitters, to air programmes and received with normal domestic receiver with special decoder devices.
- 8.4 The terrestrial pay television operator may adopt a number of packaging approaches including the positioning of certain channels as basic entry level products and other as premium in nature.
- 8.5 The video channels are either acquired from content providers or are packaged internally by a pay television operator.
- 8.6 The relationship between a pay television operator and a content provider is determined by a carriage agreement.
- 8.7 Digitalisation of terrestrial broadcast network, increased number of programme channels and will stimulate growth of terrestrial pay television.

9.0 ENTRY BARRIERS

- 9.1 In terms of policy dispensation there is no entry barrier into the broadcasting industry.

The industry is liberalized whoever thinks subscription services make business sense can apply for licence to operate.

- 9.2 Technological standards, cost of programming, demand for specific services, audience segmentation are some of the challenges prospective service providers are to grapple with in the subscription value chain.

Others challenges includes high cost of infrastructure, Set Top Boxes (STB) costs, Applications Programme Interfaces, verification software (CA),

Electronic Navigation Software, satellite transponder capacity and subscriber management services.

- 9.3 Set Top Boxes are expensive. A set top box is an essential gateway to accessing programmes in the subscription television environment. A STB can be broken into component parts, primarily the Applications Programme Interface (API) the verification software and the Electronic Navigation Software (EPG). Developing STB that is proprietary is high cost and more often leads to high consumer prices. The cost of STB can be reduced by subsidizing prices.
- 9.4 Subscription broadcasting service providers regard control over the value chain as key to the success of their service.

The value chain could be outlined as follows:-

Content creation

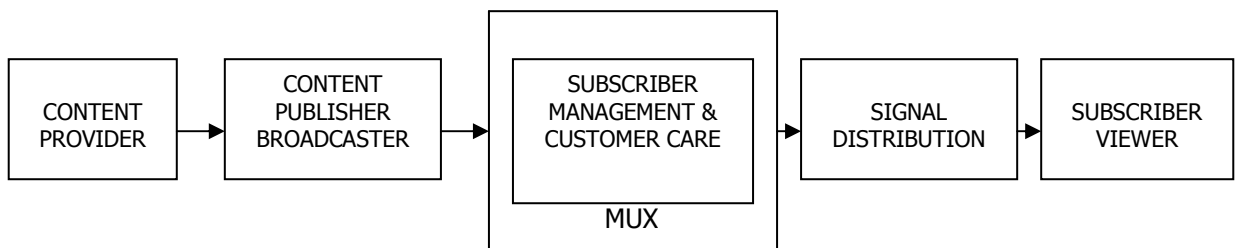
Bundling of content into channels

Packaging of content into Multi-channel offerings

Delivery

Conditional Access

Consumer reception equipment and subscriber management



This control creates the ability to limit effective entry of competition.

- 9.5 This document recommends deregulation opening up the business to competition on the **Support Services** to handle subscription services to end users.
- 9.6 Access to premium content by competitors be allowed between the competing service providers. In other ways exclusivity on rights be abolished.

10.0 OWNERSHIP OF SUBSCRIPTION BROADCASTING SERVICES

- 10.1 The ownership requirements for offering subscription broadcasting services should be as that contained in the Broadcasting Services Act 1993 Section 10(1)(b).
- 10.2 International practise for subscription broadcast services in countries like Australia, Singapore, UK, etc. indicates that local share capital establishing the company, should exceed that of foreign share capital.

11.0 PROGRAMME CONTENT REGULATIONS

- 11.1 The current practise of production and delivery of content may be classified into two folds.
 - 11.1.1 Content created and broadcast from outside the country through satellites networks. These are regarded as foreign content programmes.
 - 11.1.2 The other content is locally created content which is produced and broadcasted locally.
- 11.2 The commonly used transmission mode for foreign content is by satellite networks (DTH). This kind of subscription covers many channels, and majority of subscribers are interested to view these channels. Currently the only foreign content provider for subscription is DSTV.
- 12.3 However, another foreign content provider from Dubai has shown interest to provide similar content provision using DTH and has submitted application to the Authority for consideration.

13.0 REGULATION OF SUBSCRIPTION BROADCASTING SERVICES FOR CONTENT RECEIVED FROM OUTSIDE THE COUNTRY

- 13.1 Satellite Network allows transmission of Radio/Television programmes to be received anywhere in the world depending on the transmission foot print coverage.
- 13.2 This mode of transmission make possible to receive foreign programme content by subscription, when there is agreement made between the content provider and the respective administration.

- 13.3 Imposing regulations in such kind of subscription broadcast service becomes a complex process, as the content provider is falling to another country jurisdiction.
- 13.4 Further global liberalisation of accessing information and development of technology makes it possible to view programmes transmitted from far end.
- 13.5 For reviewers who wish to access encrypted TV/Radio channels which are broadcasted outside the country and such channels may be decoded (i.e. using satellite) and viewed through subscription broadcasting arrangement, and
- 13.6 In order to facilitate access of such channels by subscription in the country, establishment of subscription support services is proposed.
- 13.7 The Regulator will enter an agreement with content service provider, located outside the country and facilitate provision of content through subscription support service operator.
- 13.8 The core functions of SSS operator has been outlined in section 6.7.

14.0 REGULATION OF SUBSCRIPTION BROADCASTING SERVICES FOR CONTENT PRODUCED LOCALLY

- 14.1 Some of the content providers, may wish to produce contents which can be accessible by subscription broadcast means.
- 14.2 Such content providers may choose which pay TV network could carry the produced content to be viewed locally or internationally depending on the network capability.
- 14.3 The local content providers through subscription broadcasting services should get licence of content service from the regulator.
- 14.4 The local content providers may use MUX networks to deliver their contents to consumer depending on the market segments willing to adopt.
- 14.5 The local content providers will enter into agreement with Network operators and
- 14.6 The agreement shall be made available to the regulator before coming in force.

14.7 The local content providers may use

14.7.1 Cable television operator network

14.7.2 MUX networks

14.7.3 3G operator networks or

14.7.4 IPTV networks.

14.8 The local content providers may adopt any of discussed scenarios in section 8.4 - 8.6.

14.9 The market segments for content services are:-

14.9.1 National

14.9.2 Regional

14.9.3 District

14.9.4 Community

15.0 INTERNATIONAL EXPERIENCE

15.1 Figure 1: Foreign Ownership Restriction in Large Market

Country	Free-to-air (TV and radio)	Cable /DTH	Telco assets	Comments on foreign investment activity
France	20%	None	20% Mobile	<ol style="list-style-type: none"> 1. Fourth largest cable system (UPC) controlled by U.S based Liberty Media. 2. Telecommunications more restricted than cable.
Germany	None*	None	None	<ol style="list-style-type: none"> 3. Foreigners have had very little success investing in German free-to-air broadcasting. 4. 35% of cable industry already owned by foreigners (NTL and Callaham) 5. Deutsche Telekom's cable systems (50% of German cable industry) on verge of being sold to U.S. equity
Italy	49%	None	None	<ol style="list-style-type: none"> 6. DTH monopoly created by the merger of Stream and Telepui. Platform to be controlled by News Corporation of U.S.
Spain	25%	None	None*	<ol style="list-style-type: none"> 7. No. 2 cable system, ONO, controlled by North American investors (Caisse de depot of Quebec, Bank of America, GE Capital) with 49.5% stake. 8. Administrative authorization required for more than 10% stake in Telefonica.
UK	49%	None	None	<ol style="list-style-type: none"> 9. Communication Bill calls for abolition of all foreign ownership restrictions in broadcasting. 10. UK cable systems (NTL and Telewest) are entirely foreign owned. 11. Sole UK DTH platform BSKYB foreign controlled by News Corporation (37.5%).
Australia	20% (TV) None (Radio)	None	None*	<ol style="list-style-type: none"> 12. Telstar, national telephone company, has 35% ownership cap. 13. Largest private cable company – Optus-foreign-held (SingTel)-2.1 million homes passed. 14. Largest DTH platform-Austar-held by U.S based UGC (406 000 Subscribers).
Japan	20%	None	None*	<ol style="list-style-type: none"> 15. NTT, national telephone company, has a 33.3% foreign ownership cap 16. Largest cable company-Juniper-is U.S. majority owned.

Source: ICASA, Inquiry into Subscription Broadcasting, Discussion Paper, 23rd April, 2004

16.0 REGULATORY ISSUES

- 16.1 In recognition of subscription broadcasting services, its growth in Tanzania and impact of new technology with competitive pressure from an increase of regulated and unregulated programmes, one needs stable, dynamic and sustainable regulations.
- 16.2 The regulations needs to address opportunities, stimulate and promote competition, while making subscription broadcasting services affordable to a common man in the society.
- 16.3 In the view of the above, the following regulatory issues needs to be discussed and examine if they are addressed by existing broadcast regulations.
- 16.4 According to the CLF subscription broadcasting services comfortably fits into the content services licence category.

The licence categories recommended are the following:-

- 16.5 The CLF is technology and service neutral. The categories of services mentioned above give a connotation of technology and service alignment, the reality is that the categorization is adopted to distinguish different platforms for regulatory clarity. In anyway the categorisation does not suggest alignment to any technology specific.
- 16.6 Subscription services especially terrestrial broadcasts will require spectrum resource and that all applicable spectrum and frequency regulations shall be applicable. The same applies to satellite subscription services.
- 16.7 Subscription broadcasting services for both sound and television on digital platform shall be licensed as **ONE SERVICE** to give flexibility for service providers to provide sound (audio bouquet) and television as well to subscribers to enable service providers build business cases for increased subscriber base.
- 16.8 The document recommends that the licence period be 10 years as against that contained in the Broadcasting Service Act 1993. The document therefore suggests an amendment to section 12(1)(a) and (b).

- 16.9 Service providers for subscription broadcasting services have to show evidence to the Authority of copyrights or authorisations on programmes that they provide to subscribers before including them into programme bouquets.
- 16.10 Service providers providing support services to subscription broadcasting providers equally have to provide to the authority the same evidence as on (16.9) above.
- 16.11 These services are different from the free-to-air broadcasting in the sense that subscription is provided to the end user upon payment of a subscription fee.
- 16.12 The difference is that free to air commercial services are dependant on advertising and sponsorships for revenue generation whereas subscription broadcasting services are primarily funded by subscription fees.
- 16.13 This document however recommends that subscription broadcasting services may be allowed to draw revenue from subscriber fees as well as advertising and sponsorships provided that advertising and sponsorships doesn't constitute the largest source of revenue.
- 16.14 It is therefore recommended that on every hour of subscription broadcasting programming advertising be limited to 5 minutes.

17.0 LICENCE FEES

- 17.1 The licence fees proposed are as provided in the Content Service Regulations 2005.

18.0 MUST CARRY OBLIGATIONS

- 18.1 The current licenses for cable operators have provisions for must carry obligation for public service broadcaster.
- 18.2 This document proposes that **must carry** obligations be extended to other free to air broadcasters on subscription broadcasting services especially television

- 18.3 The advantages of Must Carry rules is that they extend the reach of the public broadcaster and other free to air broadcasting services to areas where there may be no coverage and therefore serve the public interest by ensuring that viewers who use cable or satellite as a means of access to broadcasting services have access to in particular, public service programming.
- 18.4 An additional benefit is that it stimulates the growth of industry and balances competition by offering choice to subscribers, who through scrambling technology may be locked into their subscription service and access to a lucrative market segment for terrestrial free to air services.

In South Africa subscription broadcasting services do must carry SABC and e.TV. Usually failure to must carry may result in financial penalties.

19.0 MIGRATION TO DIGITAL BROADCASTING

- 19.1 Subscription broadcasting services currently on analogue platform have to make efforts to migrate to digital platform in a phased approach and deserve the national target of switching off all analogue services by 2015.
- 19.2 new entrants to subscription broadcasting, services have to adopt digital platform and the Authority shall not licence new entrants who opt to use analogue technology.

20.0 ADVERTISING LIMITATIONS

- 20.1 Subscription broadcasting services may draw their revenues from subscriptions, advertising and sponsorships. In no case may advertising or sponsorships, or a combination thereof, be the largest source of revenue.
- 20.2 The general principle for the establishment of advertising limits is to strike a balance between the financial interests of the broadcaster and advertisers on the one hand, and interest of the viewers on the other. This document is based on the view that payment of subscriptions provides the primary revenue stream for subscription broadcasting services and therefore subscription broadcasters should not also have unrestricted access to advertising revenue. For this reason the Authority restricted advertising on the terrestrial subscription television broadcasting licensee. In South Africa subscription broadcasting services are permitted 8 minutes per hour in open time with a maximum of 12 minutes in any hour, this is in line with

free-to-air television broadcasting advertising limits, and 6 minutes in encoded time with a maximum of 12 minutes in any hours.

20.3 With regard to the scheduling of advertisements, this area is currently not regulated, even though the Authority has jurisdiction over the scheduling of advertisements. However, the Authority does set specific regulations on the scheduling of infomercials. These are:

- infomercials must not be scheduled during prime time or during children's programmes;
- Broadcasters must clearly label infomercials. The viewing audience must be able to distinguish between infomercials and normal programming;
- each channel is restricted to a maximum of two hours of infomercials during performance period in any one day; and
- The viewing audience has a real choice, and accordingly, that infomercials are not carried on all free-to-air broadcasters at the same time.

20.4 **Figure 2: International Advertising Limits Benchmark**

Country	Comments on foreign investment activity
Australia ⁸⁹	<p>Self Regulated, requirements for Australian Content</p> <ul style="list-style-type: none"> (1) At least 80% of advertising time broadcast each year by commercial television licenses 6am to midnight. (2) Full Australian crew participation requirement to flight imported adverts. (3) 20% limit on foreign commercial footage, subject to availability of such footage in Australia production being arranged by an Australian company.
European Union ⁹⁰	<p>Television without frontiers directive, advertisements and telescoping limits on transmission time</p> <ul style="list-style-type: none"> (1) Advertisements and Telescoping spots 20% broadcasts (2) Reserved airtime 15% (3) Restriction on scheduling minimising interruption of programmes
United Kingdom ⁹¹	<ul style="list-style-type: none"> (1) Clear distinction between advertisements and editorial content (2) The amount of time permitted for Advertisements and editorial content (3) Scheduling of Advertisements and telescoping.
Canada ⁹²	<ul style="list-style-type: none"> (1) Varies per service (2) Foreign cable companies 75% of local availability.
Korea ⁹³	<ul style="list-style-type: none"> (1) The government broadcasting agency (Kobaco) has monopoly over broadcasting airtime slots. (2) Korea Broadcasting Advertising Act (amount of advertisements, scheduling and programming of advertisements. (3) 10 minutes per hour – terrestrial television (4) 10 minutes off-peak and 12 minutes peak – cable and satellite TV.

Source: ICASA, Inquiry into Subscription Broadcasting, Discussion Paper, 24th April 2004

21.0 CONCLUSION

- 21.1 As mentioned earlier the aim of this public consultation document is to throw some thought out ideas on how the subscription broadcasting services is going to be regulated and organised.
- 21.2 The document is not exhaustive in its resolve to give out an analytical discourse of the subscription broadcasting services environment but rather an attempt to basically provide information for public participation in the discussion on how best the industry should be regulated and organised.
- 21.3 The Authority would appreciate constructive criticism and contribution that will go along way in making this document an instrument for managing the subscription broadcasting service industry.

22.0 RECOMMENDATIONS

- 22.1 This Public Consultation Document recommends that all content services provided for a fee be categorized as subscription broadcasting services.
- 22.2 Operators providing subscription broadcasting services be limited to **FIVE minutes** of advertisement on **every hour** of broadcasting time because their **main revenue** stream is subscription.
- 22.3 Subscription broadcasting services be categorized as follows:
- Terrestrial subscription broadcasting services
 - Satellite subscription broadcasting services
 - Cable subscription broadcasting services
 - Non-Terrestrial subscription broadcasting services via internet
 - Support services for subscription broadcasting services
 - Any other class of license prescribed by the authority from time to time.
- 22.4 Amendment of Section 12(1) (a) and (b) of the Broadcasting Services Act 1993 to extend duration of licence to 10 years.
- 22.5 The authority considers and adopts recommendation given for content produced locally which use subscription broadcast networks.
- 22.6 Subscription Broadcasting Service providers shall carry all free to air National licence.

22.7 All subscription broadcasting service providers shall apply for content service licence. Currently only Radio and Television apply for content service licence.

This document proposes that, content service producers intended for use by IPTV, mobile television, terrestrial pay TV, satellite pay TV and Cable Television should apply for content licence.

22.8 Support services providers for subscription broadcasting services be licensed as "Support Service Providers" for management of subscription services.

GLOSSARY

"Acts" means the Tanzania Communications Regulatory Authority Act No.12 of 2003, Broadcasting Services Act No.6 of 1993 and the Tanzania Communications Act No.18 of 1993.

"Added Value Services" means additional services which add value to those already available on the Network. Such services in digital platform are non-programme associated services i.e home banking, home shopping, narrow casting, multimedia and interactive services.

"Analogue Terrestrial Broadcasting" means free to air broadcasting system using the analogue technology.

"Authority" means the Tanzania Communications Regulatory Authority.

"Broadcasting" means the provision of vision sound multimedia and data service, principally intended for delivery of news, entertainment and education to the general public. It makes use of point to everywhere information delivery to widely available non-proprietary consumer receivers.

"Conditional Access" means to restrict television programme access to certain groups of users either because of concerns for privacy or the desire to collect revenue for the services. This requires secure encryption of the programme content secure decryption in a set top box for each viewer.

"Content" means information in the form of speech or other sound, data, text, images whether still or moving, except where transmitted in private communications.

"Content Application Service" means an application service which also supplies content.

"Content Services" means Services offered for sound, data, text or images whether still or moving except where transmitted on private communication.

"Content Service Provider" means a service participant on a digital broadcasting Multiplex that contributes to the content offering in that Multiplex whether it is the form of an audio or video or data service.

"Content Services" means Services offered for sound, data, text or images whether still or moving except where transmitted on private communication.

"Digital Television Set" means a television with a built in digital receiver and decoder.

"Digital Terrestrial Broadcasting" means Free to air broadcasting system using digital technology.

"Effective Date" means the date of issuance of this licence

“Electronic Communication” means the emission, transmission or reception of sound, data, text, visual images, signals or combination thereof, by means of wire, radio, optical, electromagnetic systems or any agency of a like nature.

“Electronic Programme guide” means to provide information on every programme broadcast with some information on what each programme is about.

“Enhanced Services” means applications and features that add value to the broadcasting network for instance paging, narrow casting or multimedia services.

“High Definition Television” means digital format that provides an extremely high - resolution picture (2.1 million pixels) accompanied by digitally enhanced sound (Dolby digital surround sound).

“Integrated Digital Television” means a television set that has a built-in digital capability to receive digital signals without using set top box.

“Licence Period” means the period authorised to the holder of this licence.

“Licence” means authority to provide subscription broadcasting services and support services for subscription broadcast services.

“Licensee” means any person holding the subscription broadcast Licence subscription broadcasting services and support services for subscription broadcast services.

“Migration” means the process of change or switchover from analogue to digital broadcasting.

“Minister” means the Minister responsible for Broadcasting.

“Multiplex Operator” means that entity that compiles operates and a content offering on a digital Multiplex and that decides on the condition Access and subscriber management system (SMS) to be used.

“Multiplex” is a digital transmission channel which combines programme material and other data in a digital form for transmission via a frequency channel. The process of digital combination of the signals is called multiplexing.

“Network Service Provider” means that entity that operates a network and transmitters that distribute broadcasting signal associated with a Multiplex.

“Public Consultation Document” means draft paper/document prepared for comment by all stakeholders before it is published as official TCRA document for implementation.

“Service Area” means the licenced area covered by the footprint of the service offered in Mainland Tanzania.

"Set Top Box" means a converter of digital signal to analogue signal during the transition period.

"Simulcast Period" means that period from June 17, 2006 to June 16, 2015 during which analogue services are going to run concurrently with digital services.

"Subscriber Management Systems" means an integrated solution to manage subscribers and prospects products and access rights, dealers and material management, contract management and billing.

"Subscription Broadcasting Services" means broadcasting service provided to a consumer upon a payment of a fee.

"Subscription Broadcasting" means content by subscription service offered to the public for sound, data, text or images whether still or moving except where transmitted on private communication.

"Support Services" includes subscriber management services, subscription fee collection services, marketing and sales technical and installation support, a call centre and related to customer services.

"Transition Period" means the period during which all analogue broadcasting service are systematically switched over to digital broadcasting.