

--- On **Mon, 29/4/13**, Advisor TRAI <advbcs@traigov.in> wrote:

From: Advisor TRAI <advbcs@traigov.in>
Subject: Fwd: Consultation Paper on STB Tariff Order
To: traicable@yahoo.co.in
Date: Monday, 29 April, 2013, 3:35 PM

----- Original Message -----

From: **chanderdeepsingh bhatia** <cablevisionmg@yahoo.com>
Date: Apr 26, 2013 11:57:21 PM
Subject: Consultation Paper on STB Tariff Order
To: "advbcs@traigov.in" <advbcs@traigov.in>

SUGGESTIONS

Mr. Wasi Ahmad, Advisor (B&CS), Telecom Regulatory Authority of India, Mahanagar Doorsanchar Bhawan, Jawahar Lal Nehru Marg,

New Delhi – 110002, (Tel No.011-23237922, Fax No.011-23220442

Sir

I would like to congratulate TRAI for releasing consultation paper on Issues relating to Set Top Boxes and initiating the process to fix the tariff for STBs. I would like to request you to kindly look into the revenue sharing related issues of LCOs also as they have been the bone of contention between Broadcaster/MSOs and LCOs. Our associations have made various representations in this regard but so far TRAI has not taken a favourable view on revenue sharing.

Sir this is my humble request to you to kindly save our business which we have setup with our hardwork and innovations. LCOs can not survive at revenue sharing ratio as given in tariff order, kindly review this tariff order with an open mind and come up with a amicable solution to this problem.

The whole cable Industry will be great ful to you for this.

Now after digitalization we need to think about the contentious areas which were left untouched earlier or need modifications for the smooth operations. These are mentioned below:

Objections and Suggestions have been marked in **RED** for your kind notice

Thanks

Chanderdeep Bhatia

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The tariff order
TELECOM REGULATORY AUTHORITY OF INDIA

NOTIFICATION

New Delhi, the _____, 2013

THE TELECOMMUNICATION (BROADCASTING AND CABLE)
SERVICES
(_____) (DIGITAL ADDRESSABLE CABLE TV SYSTEMS) TARIFF
ORDER,
2013 (No. ___ of 2013)

3. Tariff for supply of set top boxes.--- (1) Every multi-system operator shall compulsorily offer to its subscribers the standard tariff package for set top box specified in **Sir,MSOs do not interact directly with cable tv subscribers,It's the Local Cable Operator who is in DIRECT touch with its Subscriber, so subscribers are of Local Cable Operator's and not of MSOs** the Schedule annexed to this Order. In addition, the multi-system operator will be free to offer alternative tariff packages for set top box in accordance with the existing regulatory framework. The subscribers shall have the freedom to choose from amongst the alternate tariff packages so offered and the standard tariff package specified by the Authority.

(2) A subscriber who desires to avail the services of multi-system operator may make ...**as said earlier Subscriber's avail the services from Local Cable Operator(LCO) and not from MSO** an application for supply and installation of one or more set top boxes at his premises as **.Subscriber makes an application to LCO and not to MSO.** per the tariff contained in sub clause (1) above.

(3) A multi-system operator on receipt of a request under sub-clause (2), shall supply and install the set top box within two days of making such request by the subscriber, subject to technical or operational feasibility. **NO MSO goes directly to subscriber so they can not install the Set Top Box at the subscriber's premises, it is LCO who installs and attends to the complaints of subscribers,MSO has no role**

in this apart from providing signals and Set Top Box(STB) to LCO.

(4) Communication of technical or operational non-feasibility.---In case it is not technically or operationally feasible to provide cable services at the location where the services are requested by the applicant, the applicant shall be informed by the multi-system operator, within two days from the date of receipt of the application, indicating the reasons as to why it is technically or operationally not feasible to provide services.

If the Subscriber approaches the MSO , then MSO should direct the subscriber to LCO and LCO will take care of all the technical feasibility and will inform the subscriber if it is not possible to install the STB at subscriber's premises

4. Reporting Requirement.---Every multi-system operator shall report to the Authority tariff packages, including all terms and conditions, associated with the supply of set top boxes to the subscribers. The first such report shall be sent by __, 2013 and thereafter any changes to these tariff packages shall be reported 7 days prior to the launch of a new tariff package. **All these should be reported to LCO who will in turn inform the subscriber about tariff package and any changes thereafter.**

(Wasi Ahmad)

Advisor (B&CS)

Note: The explanatory Memorandum annexed to this order explains the objects and reasons of “The Telecommunication (Broadcasting and Cable) Services (____)(Digital Addressable Cable TV Systems)Tariff Order, 2013 (__ of 2013)

1. No monthly rentals will be payable after the period of five years and the Set Top Box will become the property of the subscriber (except smart card/ viewing card) after the expiry of five years and full security deposit shall be refunded to the subscriber without any deductions. Interest on security deposit has been adjusted in Rent per month per Set Top Box.

2. The full security deposit without any deduction shall be refunded to the subscriber if he/she returns the Set Top Box at any point of time within a period of five years provided that the Set Top Box is not tampered with.

3. No repair or maintenance charges would be levied by cable operator on the subscriber, towards repair or maintenance of Set Top Box up to the period of five years from activation of the Set Top Box. The subscriber, however, shall be liable to pay repair and maintenance charges from sixth year onwards.

4. No installation charges or re-installation charges (except in case of shifting of connection) or activation charges or smartcard/ viewing card charges is to be levied by the cable operator on the subscriber.

It is the MSO who charges Activation/smartcard/viewing card charges not the LCO.

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1. No monthly rentals will be payable after the period of five years and the set top box will become the property of the subscriber (except smart card/viewing card) after the expiry of five years. An amount equal to the sum of security deposit to be refunded per month and interest per month on balance security deposit has been adjusted in Rent per month per Set Top Box. The full amount of security deposit stands adjusted in a period of five years.

2. Up to five years, on returning of the Set Top Box, the Security Deposit shall be refunded as per attached table-A, provided that the Set Top Box is not tampered with.

3. In case of un-installation/discontinuance of service before the last day of the month, balance security deposit shown as refundable at the end of that month will be refunded on return of Set Top Box.

4. No repair or maintenance charges would be levied by cable operator on the subscriber, towards repair or maintenance of Set Top Box up to the period of five years from activation of the Set Top Box. The subscriber, however, shall be liable to pay repair and maintenance charges from sixth year onwards.

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2. Up to five years, on returning of the Set Top Box, the Security Deposit shall be refunded as per attached table-B, provided that the Set Top Box is not tampered with.
3. In case of un-installation/discontinuance of service before the last day of the month, balance security deposit shown as refundable at the end of that month will be refunded on return of Set Top Box.
4. No repair or maintenance charges would be levied by cable operator on the subscriber, towards repair or maintenance of Set Top Box up to the period of five years from activation of the Set Top Box. The subscriber, however, shall be liable to pay repair and maintenance charges from sixth year onwards.
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Annexure

Explanatory Memorandum

1. The cable TV sector in India is primarily analog in nature. The inherent limitation of

the analog cable TV systems has posed several challenges in the cable TV sector, mainly due to capacity constraints and non-addressable nature of the network. The evolution of technology paved way for bringing about digitization with addressability in the cable TV sector. Accordingly, after studying the subject at length and undertaking a public consultation process, TRAI, on 5th August 2010, gave its recommendations to the Government of India for implementation of Digital Addressable Cable TV Systems (DAS) across the country along with a roadmap to achieve the same. The Government accepted the recommendations of TRAI and made amendments to the Cable Television Networks (Regulation) Act 1995 paving way for implementation of DAS. Subsequently, Government issued Notifications for implementation of DAS in the country in a phased manner. The first phase completing on 31st October 2012 and the fourth and final phase to be completed by 31st December, 2014.

2. In Digital Addressable Cable TV Systems, subscribers need a Set Top Box (STB) to be connected with the TV set for reception of TV programmes as the signal transmission is in digital and encrypted form. Since variegated technologies co-exist, the STBs deployed by one operator may not be compatible with the network of another operator, hampering easy migration of the subscriber from one operator to another, in case the subscriber wishes to do so, without re-investing in a new STB.

3. The Authority is of the view that the interests of the consumers can be largely protected through the provision for commercial interoperability of STB. The commercial interoperability provides an exit option for a subscriber in case the subscriber wishes to change the operator for any reason. Accordingly, in the relevant Regulations/ Tariff orders of TRAI, it has been mandated that the operators of Digital Addressable Cable TV Systems shall give an option to every subscriber to procure the

STB either on outright purchase basis or hire purchase basis or rental basis, or in accordance with the scheme, if any, prescribed by the Authority. The relevant provisions of various TRAI Regulations/ Tariff Order in this regard are attached as Appendix-I.

4. However, it is observed that in case of DTH services, the predominant Digital Addressable platforms at the moment, the schemes for Customer Premises Equipments (CPEs) offered to the subscribers by the DTH operators, have wide variations and at times are such that no viable exit option is available to the subscribers. Instead the consumer has to re-invest in new hardware in case of migration from a particular operator or platform. The same may also hold good in case of the upcoming Digital Addressable Cable TV Systems.

For Benefit of Subscribers and for giving them an easy exit option from MSOs all STBs should be made INTEROPERABLE so that subscribers do not have to buy or lease a new STB everytime he shifts residence or service provider.

5. The Authority is of the view that in order to, provide an easy exit option to the subscribers, ensure availability of STBs at reasonable cost and terms and at the same time to protect the interest of the service providers a Standard Tariff Package, for STBs, as provided for in the existing Regulations/Tariff Orders be prescribed by the Authority. Accordingly Standard Tariff Package for STBs for DAS has been worked out. In addition to offering the STB as per the Standard Tariff Package prescribed by the Authority, the operators are free to offer their own schemes for supply of STB to its subscribers in accordance with the existing Regulations/ Tariff Orders and the subscribers shall have option to choose from the Standard Tariff Package prescribed by the Authority and the alternative schemes offered by the operators.

6. Authority has observed that The operators are offering to its subscribers various types of STBs having different features/ capabilities such as “recording facility”, “Internet / broadband compatibility”, “ High definition/ 3D reception capability” etc., in addition to the basic functionalities. Since for such STBs there would be wide variations in terms of features and cost and hence the Standard Tariff Package is provided only for the basic/ vanilla STBs meant for reception of Standard Definition TV signals (SDTV) conforming to the relevant Indian Standard set by the Bureau of Indian Standards.

7. The Standard Tariff Package has been worked out on the basis of the following facts and figures as provided by the Industry stakeholders/ Associations:-

- a) The total cost of STB has been taken as Rs. 1750/-. **(Some MSOs are also supplying cheaper STBs costing around Rs.1150/-)**
- b) Life span of STB has been taken as 5 years.
- c) The residual value has been taken as nil.
- d) Rental per month is based on cost of STB on Equated Monthly Installment (EMI) Basis @ 15% per annum (@ 1.25% per month) for a period of 60 months.

8. The Authority is of the view that prescription of a Standard Tariff Package would promote healthy competition among the operators to provide better viewing experience to the consumer at an affordable cost so as to retain the existing consumer as well as to rope in new ones too. Such competition would ultimately benefit all the stakeholders of the sector including the consumers.

For Benefit of Subscribers and for giving them an easy exit option from MSOs all STBs should be made INTEROPERABLE so that subscribers do not have to buy or lease a new STB everytime he shifts residence or service provider.

Appendix-I

Extract from “Standards of Quality of Service (Digital Addressable Cable TV Systems) Regulations, 2012”

“17.

.....

(7) Every multi-system operator or its linked local cable operator, as the case may be, shall,--

(a) make available to its subscriber, information regarding the name, contact addresses and telephone numbers of persons from whom the Set Top Box, which is

compliant with the standards set by Bureau of Indian Standards, can be purchased

on outright purchase basis or obtained on rent or hire purchase basis;

AS STBs are not available in open market so subscriber has no choice but to buy or take on lease from MSO linked LCO as the STBs are provided only by MSOs

(b) publicise the salient feature of various schemes available for outright purchase

or rent or hire purchase of Set Top Boxes from it, in addition to the scheme as regards pricing, hire purchase or renting of Set Top Box, if any, specified by the Authority; ...”

Extract from “The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff Order, 2010.

7. Option to provide Customer Premises Equipment on outright purchase or hire purchase or rent.-

“Every service provider, who provides broadcasting services or cable services using an addressable system to its ordinary subscribers, shall give an option to every ordinary subscriber to make available to such subscriber, the Customer Premises Equipment, conforming to the Indian Standard, if any, set by the

Bureau

of Indian Standards, on outright purchase basis or hire purchase basis or rental basis,-

(a) in accordance with the scheme, if any, made by the Authority in this behalf;

(b) in case no such scheme as referred to in clause (a) has been made by the Authority, then in accordance with the schemes made by such service provider or his agent authorised by him in this behalf: Provided that any such scheme made by the service provider shall provide for the following, namely:-

(i) terms and conditions for return of the Customer Premises Equipment by a subscriber to the service provider, before completion of period of hire purchase or rental and refund of security deposit or advance payments, if any, after appropriate and reasonable adjustments towards depreciation (not exceeding 25% for each half year or part of it) in case of return of Customer Premises Equipment by a subscriber to the service provider;

(ii) replacement of faulty Customer Premises Equipment and repair and maintenance of Customer Premises Equipment acquired under hire purchase scheme or on rental scheme during the period of hire purchase or rental scheme without any payment.

The Tariff/charges prescribed in this consultation paper are more or less that i agree with so i have not touched that part of consultation paper.

Chanderdeep Bhatia

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