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Telecom Regulatory Authority of India  
Mahanagar Door Sanchar Bhawan,  
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**Re: CONSULTATION PAPER ON QUALITY OF SERVICE ISSUES FOR CABLE TV SERVICES IN NON-CAS AREAS AND FOR DTH SERVICES DATED DECEMBER 1, 2008 (Consultation Paper Note No. 14/2008) (the “Consultation Paper”).**

Dear Sirs,

Enclosed is our preliminary response to and recommendations regarding the above-referenced Consultation Paper.

We would be happy to provide any further clarifications that may be required and request that before the issues are finally decided, we should be given a personal hearing. You will of course appreciate that as a precaution we must reserve our rights on this matter.

Yours truly,

**For STAR DEN Media Services Private Limited**

**V.SHYAMALA**  
**Vice President - Legal**

**Response of STAR DEN MEDIA SERVICES PRIVATE LIMITED (“STAR DEN”) to the Consultation paper no. 14/2008 dated December 1, 2008 on Quality of Services issues for Cable TV Services in Non CAS Areas and for DTH Services (“Consultation Paper”).**

STAR DEN welcomes the initiatives of the Telecom Regulatory Authority of India (“TRAI”) for releasing the **Consultation Paper** and providing an opportunity to the stakeholders to provide their views on issues raised in the Consultation Paper.

STAR DEN is a distributor of television channels and is currently distributing 19 channels in India. As broadcasters/distributors of television channels, we are limiting our response to the issues that concern us and offer our general views on the Quality of Service (“QOS”) standards that must be implemented.

**FOR NON – CAS Cable Services :**

**4.1.1 Please offer your comments on the areas and parameters of Quality of Service which need to be covered in such regulations (refer para 2.16)? Please offer comments whether QoS parameters should also be made applicable to voluntary CAS networks in non-CAS areas. If yes, then please indicate what should these parameters be.**

- We submit that the Quality of Service (“QOS”) standards should be most comprehensive which will in the long run pave the way for bringing in total addressability in the country and bring about quality delivery of the high class, expensive programming of the broadcasters to the end consumers.
- Today, despite the Regulator’s efforts to enhance on ground competition, there still continues to be monopoly at the last mile level in the non cas markets, with the consumers left at the mercy of the monopoly local cable operator with no alternate cable operators. This situation makes it all the more necessary to ensure that the cable operator provide the best services to its subscribers/consumers.
- We recommend that the QOS should clearly allocate responsibilities of the Multi System Operators (“MSO’S) and the Local Cable Operators (“LCO’s”) to ensure that the benefits of the QOS actually reaches the end consumers and is not just a piece of legislation with the MSO’s and LCO’s indulging in blame game.
- We recommend that the Regulator must prescribe some mechanism by which the end consumers are made aware of their rights and the remedies/options available to for seeking redressal of their complaints.

- As of date, in the analog market the consumer is not even aware of the contact points/persons of the MSO's/LCO's to seek assistance in case of defective transmission issues.

**4.1.2 In particular, comments and suggestions are invited for effective and transparent monitoring and implementation of proper billing, to protect consumers' interests.**

- We submit that it has been more than a year since the TRAI Tariff Order stipulating issue of receipt and bill by the cable operators, has been in force. However, regrettably, there has been negligible implementation of these provisions on ground.
- We recommend that the Regulator must lay down specific provisions by which cable operators must be required to furnish an authentic certificate of compliance from an authorized officer to be designated by the TRAI, certifying compliance of the provisions of QOS and the billing provisions stipulated in the Tariff Order.
- It is imperative for the Regulator to create a mechanism to ensure that the provisions of the Tariff Order/Regulations are followed at every level of the distribution chain to ensure realization of the objectives of the legislation.

**4.1.3 There is an expectation that the State Governments and the Ministry of Information & Broadcasting will extend necessary cooperation in the effective implementation of QoS Regulations. Can you suggest any other supplemental measures for further strengthening the implementation of QOS Regulations?**

- The Regulator must create an in house special monitoring cell which can work closely with the authorized officers to ensure implementation of the QoS.
- No legislation is complete unless it is effectively implemented. Being the sector regulator TRAI must play a key role in the implementation process.

- 4.1.5 Whether the DTH operators should be specifically prohibited from dropping of channels from a subscription package for a subscriber for six months from the date of enrolment of that subscriber, if the channel continues to be available on their platform.**

A subscriber's decision to subscribe to a particular package is based on the channels that form part of the subscribed package . Therefore, if any of the channel is dropped from the package, this frustrates the very purpose of consumer choice.

Hence we recommend that DTH Operators should not be allowed to drop a channel from a package for a minimum period of six months. However, the Regulations must exclude disconnection of a channel to the DTH subscriber by the DTH Operator as a result of deactivation of the channel signals to the DTH Operator by the broadcasters for payment defaults/breach of contractual obligations. Else, the DTH Operator may use this provision as a means to not make timely payments to broadcasters.

- 4.1.6 Within this period of six months, in case the channel ceases to be available on a particular DTH platform, then whether it would be appropriate to have a mechanism of reducing the subscription charges by an amount equal to the wholesale a-la-carte rate of that channel. *Alternatively*, can you suggest any other methodology for such compensation to the subscriber? Should such compensation be paid/adjusted even when one channel in a package is dropped, and it is replaced/substituted by another channel so that the total number of channels in that package is not affected?**

- We submit that the wholesale a-la-carte rate cannot be the basis for determining reduction in the retail charges to the end subscriber in the event of discontinuance of a channel on the DTH platform for the following reasons:
  - i) Content cost is only a fractional part of the retail charges. Retail charges to end consumer is a factor of several costs incurred by the DTH Operator.
  - ii) The DTH Operators do not extend the a-la-carte option to their DTH Subscribers and offer channels only on bouquet basis. Hence, it will be inappropriate to use a-la-carte wholesale rate as the basis to determine reduction in retail charges.
  - iii) In case of bouquet deals between broadcasters and DTH Operators, the content cost forming part of the retails charge is based on the bouquet cost of content to the DTH Operator and the a-la-carte rate. For that matter the content cost of a particular channel is based on the specific deal between the concerned broadcaster and the DTH Operator.

In the light of the above, we recommend that methodology for reduction should be based on the overall costing of the DTH Operator and not on the a-la-carte wholesale pricing.

- The alternate option of substituting a channel with another channel is also not practical for the reason that unlike other services, a particular channel is unique for its content and characteristic and cannot be replaced by another channel. In fact this again will frustrate the freedom of choice to consumers and will result in DTH Operator replacing a quality channel with a slow moving channel.

**4.1.7 Whether the subscribers should also be required to subscribe to any channel/package for a certain minimum subscription period as in CAS areas. If yes, what should be such minimum subscription period?**

- We recommend that subscribers should also be required to subscribe to a channel/package for a minimum subscription period of six months.

**4.1.14 Whether advance notice of minimum 30 days should be given by DTH operators to a DTH subscriber before terminating his existing tariff plan provided that no tariff plan can be terminated within the contracted period, if any, for that package or within six months of enrolment of that subscriber to that package.**

- In order that the DTH subscribers are not inconvenienced by frequent change in the tariff plan, it is only reasonable that prior notice of change in tariff/package plan is mandated.
- We recommend that the agreement between the DTH Subscriber and the DTH Operator must clearly specify the contract period and the validity of the tariff plan/package composition so that DTH Subscribers take a well informed decision before choosing a particular tariff plan/package.