

Information note to the Press (Press Release No. 23 /2015)

For Immediate release

TELECOM REGULATORY AUTHORITY OF INDIA

TRAI issues Tariff Order (TO) prescribing framework for commercial interoperability of Customer Premises Equipment (CPE) in DTH services.

New Delhi, the 1st April, 2015:- The Telecom Regulatory Authority of India (TRAI) has today issued a Tariff Order (TO) namely the Telecommunication (Broadcasting and Cable) Services (Seventh) (the Direct to Home Services) Tariff Order, 2015 (2 of 2015). This Tariff Order (TO) prescribe a framework for commercial interoperability of Customer Premises Equipment (CPE) offered by the Direct-to-Home (DTH) operators to their subscribers.

2. Direct-to-Home (DTH) services In India have been growing at a rapid pace since they were introduced in 2003. Today, there are six private operators offering DTH services to around 73 million subscribers. As these operators have launched the services at different point of time, deploying different transmission and compression standards and encryption solutions, CPE deployed by one operator may not be compatible with the network of another operator. Therefore, if a subscriber wishes to migrate to another DTH operator or Cable TV platform, he is required to invest in the CPE/STB of the other operator. It has also been observed that there is a lack of transparency in various schemes offered by the DTH operators in the market.

3. The Authority is of the view that interests of Consumers in this regard can largely be protected through the provision of Commercial interoperability of CPEs and mandating transparent and upfront declaration of all charges and conditions by the DTH operators at the time of providing service. Commercial interoperability provides for an exit option to a subscriber in case he wishes to change the operator and avail the services from another DTH operator for any reason.

4. Salient features of this TO are as follows:-

- Transparent price declaration of all types of CPEs by the DTH operators to enable a subscriber to make an informed choice.
- Transparent and upfront declaration of installation & activation charges by DTH operators which shall not exceed Rs 450/-.
- DTH operators to mandatorily offer an outright purchase scheme called Standard Scheme for all types of CPEs on standalone basis.
- DTH operators may offer additional schemes including bundled schemes and rental schemes.
- In the rental schemes, DTH operators can charge a specified one-time interest free refundable security deposit, installation and activation charges from the subscriber during enrolment followed by specified monthly rental charges. No repair/maintenance charges are permissible from such subscribers.
- DTH operators shall cater for free maintenance and repairs of CPEs for three years after installation/activation. In case of outright purchase and hire purchase schemes, DTH operators may levy visitation charges not exceeding Rs 250/- per visit after the warranty period has elapsed.
- Subscribers shall have an option of buy-back/refund for CPEs in all the offered schemes including bundled schemes with an exception of rental schemes. In rental scheme, subscriber will get back the security deposit.
- DTH operators may prescribe a lock-in period not exceeding six months for a subscriber to remain committed. Subscribers can surrender the CPE any time subject to levy of certain charges that have been prescribed.
- DTH operators shall setup collection centers at every district headquarters to enable easy return of CPEs. Subscribers shall be

provided with a toll-free telephone number for registration of request for surrender of connection.

- Subscribers shall have option of returning the CPE by paying a nominal collection charge of Rs 300/- to the DTH operator or to return the CPE at the designated collection center.
- No other charges by any other name other than those specified in the TO can be levied on the subscribers by DTH operators.
- DTH operators shall declare all current schemes on their websites while also publishing all charges for each scheme. Subscribers to be given details of the scheme opted by him.
- DTH operators have been given a time of 60 days to align their business processes for compliance with the provisions of this TO.

5. The framework for commercial interoperability prescribed in the TO is expected to put in place an effective mechanism to achieve the objective of commercial interoperability. This will give a fillip to fair competition amongst DTH operators, discourage monopolistic practices and empower the subscriber with greater choice. This will further enable orderly growth of the sector. The Tariff Order is available on TRAI's website: www.trai.gov.in.


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Secretary, TRAI