

Telecom Regulatory Authority of India
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TRAI releases a Consultation Paper on Digitalisation of Cable Television.

TRAI today released a Consultation Paper on Digitalisation of Cable Television. Communication services all over the world are moving towards digitalisation. This process has several advantages. The major advantages of digitalisation in the case of cable television lie in improved signal quality, increase in the number of channels affording more choice to the consumer and provision of interactive services like Video on demand. On the other hand digitalisation means a high initial cost. At present all Televisions in the country are receiving signals in the analogue mode. Only a few operators in the country are offering digital services to the consumer today. To receive signals in the digital mode, the delivery system would have to be upgraded and equipment would also have to be installed at the consumer premises to translate the digital signals into the analogue mode. As has been the case in several countries which have adopted national plans for digitalisation, choice would have to be given to the consumer to go in for digitalisation depending on the terms offered by the operators. Thus simultaneous transmission in analogue and digital mode would have to continue for several years to come. The Consultation Paper seeks to elicit views of all stakeholders on various issues connected with this subject

The Consultation Paper raises issues relating to the phasing and time frame for digitalisation. Among the suggestions made is the possibility of adopting a national plan for digitalisation in the period 2006 – 2010 to coincide with the Commonwealth Games to be held in Delhi in 2010. The contours of this national plan like the number of cities in which such digitalisation should be initiated and the possibility of having indicative targets of number of digital consumers has also been thrown open for discussion and debate.

Incentives

The paper also discusses the possible incentives to promote digitalisation including pricing and fiscal incentives in the form of import duty, entertainment tax and service tax. The need to improve affordability and provide more choice to consumers of black and white television sets which constitutes about 25% of the annual production of TV sets has also been posed for discussion.

Licensing

At present no licensing is required for operating a cable television networks. The need for introducing a licensing framework for digital networks is discussed in the paper. Related issues like exclusivity, number of licenses per area, license fee and procedure for licensing have also been posed for consultation.

Promotion of Competition

One of the major advantages of digitalisation is the fact that it increases the capacity of cable networks making it possible to provide more channels. The question of measures to promote competition including the introduction of must carry regulations for Cable Television has been raised. The possibility of regulation of carriage charges has also been discussed.

Choice of Technology and Associated Costs

There are various alternatives available for digitalisation. Thus digitalisation can be done with reverse path which would enable interactive services. On the other hand this may be done without such provision. Digitalisation can be done along with CAS and it can be done without CAS. Some rough figures of the cost of these alternatives have been provided to give an indication of what this would ultimately mean in terms of investment and cost to the consumer. Issues relating to the modification in the existing standards have also been thrown open for discussion.

The specific issues posed for consultation have been put together in Chapter-6. Written comments on these issues may please be furnished to Secretary, TRAI by 31st January, 2005. The gist of the comments received will be posted on the TRAI's website. The full text of the consultation paper is available on the TRAI's website (www.traigov.in).

For any further clarification on the matter, Secretary, TRAI or Adviser (B&CS) may be contacted at traio7@bol.net.in (Phone No. 26167448, Fax No. 26103294) and rkacker@traigov.in (Phone No. 26713291, Fax No. 26713442).

It is proposed to hold Open House Discussions on the subject in February 2005. Those interested in participating in the above discussions may please give their names at the above addresses by 31st January, 2005 along with contact details so that the Open House Discussions could be planned accordingly.