

# Cable Operators Federation of India

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The Chairman  
Telecom Regulatory Authority of India  
Mahanagar Doorsanchar Bhawan,  
Jawahar Lal Nehru Marg,  
New Delhi-110 002

## **Sub: Comments on Tariff Order for Supply of STBs for Digital Addressable Cable TV Systems (DAS) and DTH Service Dated 11 April 2013**

Sir,

Reference Tariff Order for supply of STBs for DAS and DTH consumers.

Tariff order for supply of STBs for Digital Addressable Cable TV Systems (DAS) has come very late from TRAI when 25 million STBs have already been installed for Phase 1 and Phase 2 of DAS implementation. We are surprised how the Regulator allowed the implementation to proceed permitting the MSOs to mislead/ misguide / misinform the subscribers and the LCOs with their dubious schemes taking activation fee in the name of subsidized supply of STB without informing the consumers.

Most of the MSOs did not give any receipt for this cash of Rs 800 – Rs1500 taken from the consumer and kept him in dark whether they sold the STB to consumer, gave it on rent or gave it on hire purchase. Not only this even the Ministry officials were not aware of this and kept telling in their public statements that a reasonable subsidized price of Rs 800 is being taken by the MSOs for the STB to facilitate speedy seeding of STBS and help consumers.

**It is too late. We wish to know from the regulator how this act of misleading/ misguiding/ misinforming 25 million consumers and the LCOs of Phase 1 and Phase 2 will be compensated. Already Rs. 2500 crore (approx) have been collected by the MSOs in the name of activation fee and most of it is unaccounted because none of the state government has reported any collection of VAT on these sales nor any receipts given. Thousands of crore of money has been collected from the LCOs as advance for these STBs which still belong to the MSOs.**

Since TRAI has removed the list of all **consumer NGOs** from its website at this juncture and no new bodies have been registered, none of the consumer organisation would be commenting on TRAI tariff orders and consultations giving their feedback. We wish to

know what effort will be made by the regulator to get reaction from the consumers and if consumers approach consumer-courts against this fleecing by MSOs through LCOs in this fake sale of STBs on the orders of central government, who would give the compensation if ordered by the court?

It may be remembered that **government mandated impractical deadlines for digitisation** using a dictat of the law, amending the Cable TV Act where hardly anyone including the parliamentarians knew the implications of such a technology switchover without any preparation. This has led the present state of chaos where even if all stake holders want to adopt the technology, they are unable to do so because of confusing and unfair regulations.

**Renaming DTH STB as CPE** We fail to understand why STBs of DTH have been renamed as CPEs in the tariff order. Both Cable and DTH STBs/ CPEs can be part of a TV set.

**Cost of STBs/CPE:** All cable MSOs as well as DTH operators must declare cost of all types of STBs/CPEs and various schemes of supply to consumers on their websites, as tickers on TV screen and leaflets distributed in their area of operation.

**Standard Tariff Packages:** Please include in the standard tariff packages that-  
*'Cost of the drop cable with in the consumer home/ premises and any distribution equipment fixed for multiple TV reception like taps and splitters will be paid by the consumer, as these equipment are not a part of the STB provided by an MSO.'*

These cables and equipment are often fitted by the subscriber themselves while constructing their homes and are prone to frequent wear and tear due to mishandling by the consumers themselves'.

**Rights of LCOs** All STBs are being installed by LCOs in consumer premises. All dealings with consumers are being done by the LCOs since consumers belong to the LCO and not the MSO. Hence, wording of the Tariff Order needs to be modified accordingly so that LCOs get due recognition as a stake holder in the implementation process.

Our comments on individual paras of the Tariff Order for DAS STB are given below. These may apply to all the standard packages for DAS.

### **Para 3. Tariff for supply of set top boxes.**

#### **Comments**

**MSOs do not interact directly with cable TV subscribers. It's the Local Cable Operator who is in DIRECT contact with his Subscriber, so subscribers belong to Local Cable Operator and not MSO. This clause should be worded as-**

(1) Every multi-system operator **through its LCOs** shall compulsorily offer subscribers the standard tariff package for set top box specified in 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 an application **to his LCO** for supply and installation of one or more set top boxes at his premises as per the tariff contained in sub clause (1) above.

(3) A multi-system operator on receipt of a request **from the LCO** under sub-clause (2), shall supply the set top box **to the LCO** to be installed within **seven days** ( since LCO will install the STB after receiving from the MSO) of making such request by the subscriber, subject to technical or operational feasibility.

**Comment**

**NO MSO goes directly to subscriber so they cannot 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 **LCO, within seven 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.

**Comment**

**Under no circumstance MSO will entertain a subscriber directly for a connection. If the Subscriber approaches the MSO directly, MSO should direct the subscriber to the LCO of his area 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.

**Comments on the Standard Tariff Package**

Terms of supply of STBs are acceptable. Point of cost of subscriber drop cable and distribution equipment within the house to be borne by the subscribers should be added.

**Notes :-**

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. **Also the subscriber will be liable to pay for the drop cable and distribution equipment fixed in his premises by the LCO.**

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

**5. No MSO will charge activation charges or smartcard/ viewing card charges from the subscriber.**

#### Comments

**It is the MSO who supply the smart card/ viewing card or activates the STB.**

The following are the additional points to be considered in the consumer interest.

- 1. For Benefit of Subscribers and for giving them an easy exit option from MSOs, option of INTEROPERABLE STB must be given to the subscribers so that if they wish they need not buy or lease a new STB every time they shift residence or change their service provider.**
- 2. It should not be mandatory to buy the STB from the MSO. Like it is done in other countries, STBs with CI slot complying to BIS Standards should be made available in the open market and should be made mandatory for the MSOs to accept them supplying the subscribers a CAM card with smart card of their network.**
- 3. Some MSOs are also supplying cheaper STBs costing around Rs.1000-1200. Tariff Order should also lay down the procedure to calculate the rent/ lease charges and refund amount for such cases.**

Yours Sincerely,

**Roop Sharma  
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