

Fw: Fwd: Comments on Consultation Paper on Financial Disincentives

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To: DA1 <gauriskesari@gmail.com>

Mon, Sep 8, 2014 at 12:05 PM

On Monday, 8 September 2014 10:03 AM, S k Singhal <sksinghal@traigov.in> wrote:

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

From: Arvind Prabhoo <arvindprabhoo@gmail.com>

Date: Friday, September 5, 2014 2:24 pm

Subject: Comments on Consultation Paper on Financial Disincentives

To: Parameswaran N <param.traigov.in>, sksinghal <sksinghal@traigov.in>, Wasi Ahmad <wasiahmad@traigov.in>

> Dear Sir

>

>

> We write in the above context and at the outset thank you for having taken into considerations suggestions and proposals put forth by MCOF on the Subject matter

>

> We too recognize the Customer's Rights to receive Itemized billing and reasonable grace time to pay

> Your proposed Regulations are certainly moving in the right directions.

However, certain areas need rethink from the Sector and Consumer perspective. These are placed before you herewith:-

>

> **1) Inter Connect Agreements:**

> The optionality of Inter Connect as implied in the proposed Regulations (Re: Page 4 Para beginning with PROVIDED if a written agreement...)

> Sir, the need for end-to-end accountability with mutual obligations clearly set out by way of an Agreement is a must for the Sector.

> This Clause is likely to be misinterpreted by MSOs, the way many other Clauses have been in the past; to avoid signing Inter Connect Agreement, levying penalties on LMOs and also setting off Electronic Collection costs unilaterally

> e.g. One of the National MSOs has specified in the Draft ICA that LMOs will make payment on behalf of his entire Universe by 7th of following month as against the 15 day's grace period that you have provided

>

> In our view an addressable Customer is getting into an Agreement once he fills the CAF

> However, the Value Chain is not legally bound if MSOs and LMOs do not sign ICA

>

> It is thus in everyone's interest to have legally tenable Locus Standi to derive the mutual Rights and Authorities with commensurate obligations

>

> **We therefore request that the opportunity be utilized to make the ICA mandatory**

>

> **2) Billing Mechanism:**

> The option for MSO to bill end Customer has to be dispensed with and the Twin Level mechanism proposed by us may please be made mandatory

> This will help both sides immensely-

> MSOs will be relieved of Financial disincentive risks

> LMOs will be relieved of fear of Network being usurped and for this affirmation of their Rights, they will be glad to assume the onus to comply with billing and receipting obligations

>

> **3) Data updating:**

> We are of the view that Payment details should be updated at MSO end in Real Time to avoid STB deactivation for those who pay towards end of the Grace period

> We hope you recollect the Real Time Transaction Management Technology proposed by us

> In case some MSOs opt to adopt 3 day span for Data updating, we propose that they alter the Systems to **record Value Date** so that the Customers do not lose out benefits of timely payments

>

> **4) Late Payment Fees:**

> We are of the opinion that the Financial discipline has to percolate to the end Customer level too

> We therefore seek Provision for Penalty of Rs 25 or 5% of Amount due, whichever is higher, recoverable from Customers who pay beyond Due date

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> A Provision may also kindly be made to empower LMO to charge a reconnection fee of Rs 100.00 for reactivating STBs deactivated on account of non-payment

>

> Thanking you,

>

> For MCOF

> Arvind Prabhoo

> Cell 9821367742