

Cable Operators Federation of India

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Without Prejudice

(by Speed Post/E-mail)

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Dated: 08 June 2016

The Chairman,
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg
New Delhi-110002

Kind Attn: Prof. M. Kasim, Advisor (B&CS)-III

Sub: Counter Comments on TRAI Consultation Paper No 6/2016 on Issues related to Quality of Services in Digital Addressable Systems and Consumer Protection

Dear Sir,

Reference TRAI Consultation Paper No 6/2016 on Issues related to Quality of Services in Digital Addressable Systems and Consumer Protection dated 18 May, 2016

1. At the outset we appreciate TRAI's efforts in regulating the addressable market creating a level playing field for all technologies as far as quality at the customer is concerned. However, we wish to submit that it is too early to equate all the addressable systems and expect them to provide the same quality of service at the consumers end. Academically, it may be possible as International standards for broadcast services are the same for all technologies however we have to keep in mind that different technologies in broadcasting are at different level of development in the country and may not be ready to provide similar service quality to the consumer. We analyzed the state of various distribution technologies in the country as below.

2. **Digital Cable/ HITS:** This is still in an unorganized shape with only seeding

of STBs completed in the first three phases. About 50 million households are still in Analogue mode and thus not addressable. Also, just by putting an STB in a household does not make it addressable in the real sense as consumer still does not enjoy any choice of channels and bouquets of channels are still being forced upon him. Consumers are not even aware what the government wants to give them through Digitisation. Some of the major factors affecting the quality at the consumer end are:-

- a) There are no quality specs for broadcasters' signals at the Cable TV headend.
- b) SMS and billing systems are still not yet operational. No consumer gets a computer generated itemized bill like in mobile service.
- c) Consumers are not given a choice and are unable to control their individual bills like a mobile consumer can do.
- d) There is no interoperability giving opportunity to consumer to change his service provider whenever he wants.
- e) Consumers have no choice to select the STB of their own make and features.
- f) Indigenous manufacturing of STBs has not yet taken off. We mostly depend on imports and poor quality of STBs have been imported to save money and earn more profits.
- g) STBs are not available in the open market which the regulations demand.
- h) BIS standards are not being implemented till date.
- i) Activation Fee which is not permitted by the Regulator is the biggest source of revenue of the MSOs.
- j) Because the regulations have failed to lead the industry to a viable business model, no investments are coming up. In spite of 100% FDI only the large international media groups are able to attract investments from their own group companies only to encourage further monopolies.
- k) Since cable operators are being forced to change to new digital technology involving heavy investments on infrastructure, they are still struggling to manage finances.
- l) Due to lack of resources with the MSOs and local factors like power shortages, economic conditions, geographical layout and lack of organized infrastructure in the region, it may not be possible to provide a consistent quality of service to consumers.
- m) Consumers are not aware of channel prices. MRP of a channel is not declared.
- n) All regulations made in the last five years are not implemented as challenged in various courts.
- o) Even quality of service regulations like the 'ad cap', are in the courts and being flouted blatantly.

p) Stakeholders in Cable TV industry are still struggling to survive. No one has time to think about the consumer.

3. DTH

- a) DTH is generic digital service and in service for the last twelve years compared to digital cable which is still in infancy. The technology is much advanced in quality where as digital cable technology has not even stabilized.
- b) Still DTH does not follow the guidelines of interoperability.
- c) All DTH players are deep pocketed corporate who have well established supply chains and distribution networks. So, have sufficient time to focus on new services and quality issues.
- d) Have shortage of transponders, and services are limited.

4. IPTV Networks

- a) These are very few and not yet popular in India.
- b) They are owned by large telecom companies in Cable TV sector.
- c) But IPTV has inherent bandwidth problems and have failed to provide a quality broadband service required for IPTV. Hence the service has not yet picked up
- d) Very low broadband penetration limits the scope of expansion.

5. Mobile TV

- a) Not yet picked up as broadband speeds are extremely low. Even basic voice service has problems.
- b) Smartphones are increasing but not to accommodate a competitive mobile TV service.
- c) Quality of mobile communications leave much to be desired, spectrum and infrastructure being the real problem.

6. DTT

- a) This service is under trial by Prasar Bharati for the last 13 years and there is no hope of its taking off, considering the state of Prasar Bharati, funds with the government and efficiency of the Prasar Bharati Staff.
- b) Standards have just been changed to DVB-T2 and commercial service has not yet started. It will take years for the service to stabilize.
- c) We have no manufacturing of DTT STBs in India and condition will remain the same as in Cable TV digitization.
- d) Being a government funded service, there will be no control on its quality.

7. The task the Regulator is taking upon itself is very tough under the circumstances given above. TRAI has taken several measures in protecting the consumer interest and making affordable tariffs but stakeholders are not following that. Stakeholders refuse to even share their financials with TRAI to help them frame consumer friendly tariffs. We already have the case of 27.5% inflation linked hike that has been withdrawn but the regulator is unable to make broadcasters reduce their rates.

8. Some of the limitations of the Regulator in enforcing quality of service regulations are:-

- a) Regulator is at the mercy of the I&B Ministry to accept its recommendations or not. Many good recommendations have become obsolete as Ministry has not even considered them. We believe political and economic reasons at the Ministry level are more important than technical reasons for which TRAI is an expert.
- b) TRAI can only give directions. Rarely it goes in to file a court case but that also takes years to get resolved, losing its impact.
- c) TRAI lacks resources for monitoring the quality of service all over India and implement the same.
- d) TRAI is oblivious of the ground realities as its reach is limited to big cities. Even its 'consumer reach programmes' are attended by few consumer organisations and minutes of these programmes are not placed on TRAI website for public viewing. So TRAI has to be satisfied with the reports sent by the stake holders. If one analyses, these reports do not indicate the reality and are mostly manipulated to please the Government.
- e) There is no level playing field between different distribution technologies. Telecom is highly subsidized whereas broadcasting is still struggling to get some favours from the government to implement the government mandate.
- f) TRAI has not succeeded in getting the broadcasting infrastructure the status of 'National Telecom Infrastructure', even though it has been trying to regulate it as one since 2004.
- g) We have never seen TRAI to force the government to do something for the good of the industry and the consumers although, it has a very strong position.
- h) Five years of digital cable and 12 years of DTH in existence, the regulator has not started providing Broadcasting data from DTH operators and MSOs like it publishes the data from Telecom companies every quarter. If done, this will reveal the true picture of digitization.

9. Other major factors affecting the quality of service in the addressable

market are:-

- a) There is no check on monopolies, vertical integration and cross media holdings allowing the monopolizing companies to provide the worst quality of service at high cost. Even if TRAI recommends cancellation of the defaulters, government will not cancel their licenses considering public interest. Taking action against small stakeholders is very easy but generally it is the smaller companies who avoid violating any rules and regulations and thus do not affect the quality of service at a large scale.
 - b) Cloud services are still very costly in India to be used for quality experience and save on infrastructure.
10. The QoS standards are a must requirement for any service industry. However, we feel that they need to be different in each type of distribution network as explained above. Also, the standards have to be framed for the following:-
- a) Content uplink, downlink and reception at the headend. This is the responsibility of the Broadcasters.
 - b) Distribution Headend and distribution network, responsibility of the MSO/ HITS/ DTH operator
 - c) Quality of Service at the consumer premises- Responsibility of the Last mile providers.

11. Counter Comments

Consumer Rights

Surprisingly no stake holder, not even the consumer organisations have mentioned that all MSOs and cable operators must make the consumer aware of his rights under the DAS regulations. For example-

- a) **FTA Package.** No response emphasise on the FTA channels. TRAI tariff order clearly states that consumer has the right to choose any 100 FTA channels to form the basic package of Rs 100. Not even a single MSO is following that. Consumers must be made aware of this by the stake holders as well as TRAI in its Consumer reach programme.
- b) **Activation Fee is not permitted.** In spite of TRAI Tariff Orders for STBs and CPEs not permitting activation fee, every MSO and DTH operator charges that. In some cases it is equivalent to the cost of the STB itself.
- c) **Ownership of the STB.** Consumers are kept in dark regarding the ownership of the STB. They are not given the Bills to avoid VAT.
- d) **Availability of STBs in the open market.** The regulations require every MSO to inform their consumers about the vendors in open market who sell compatible STBs. This is not being done.

- e) **Interoperable STBs.** DTH guidelines mandate this but none of the STBs in India are interoperable.
- a) **STBs with CAM and CI** must be permitted so that STBs are available in the open market at competitive prices to subscribers, broadcasters also must provide CAMs.
- b) **Quality of Smart cards for STBs.** These must be made from good durable plastic to withstand prolonged use. Vendors have been seen to provide low quality plastic cards that break after some time giving a chance to the broadcasters to make more money from replacements. This is adding additional burden on subscribers.
- c) **Self Regulation.** Some stake holders want to follow self regulation. This can never work. We have seen that even in Telecom industry, operators with large resources also do not care for the consumers. Computerised complaint redressal system is just not effective. Even the emails or letters sent by the companies in response to consumer complaint do not mention the name of the executive and there are no signatures. So consumers have no way to approach to resolve the complaint.

12. Other important points missed are given below

- a) **MOP** must contain list of all FTA and pay channels, their a-la-carte rates, packages with rates, standards of quality of service in brief as laid down by TRAI, details of network nodal officer, details of government nodal officers for DAS, contacts of the company call centre, relationship officer and method of complaint redressal.
- b) **Quality of the Equipment.** All equipment for digital cable transmissions imported or manufactured locally must be of standard quality. **BIS standards** will require to be revised/ made anew for digital equipment and digital services where revised standards do not exist.
- c) **Registration of Equipment, Software and CAS vendors.** Head-end (Uplink, & Downlink) & STB vendors should be able to prove that they **buy their components legally and not from the grey market** and that they are paying proper royalties to DVB, MPEG, Dolby etc. They need to register themselves with the government for doing business in India certifying that all their products comply with the Indian Standards or in their absence, international standards. **This will, to some extent check spurious and poor quality equipment and STBs to be pushed into India by fly-by night vendors.**
- d) **STB vendors and CAS vendors to also declare** in their registration applications as to how many times and when their equipment/systems were hacked in any market of the world. **Such certificates should not be asked**

from the MSO/Cable operators as it is not possible for them to furnish such details about their vendors.

- e) Some **government/ private labs having test facilities** and specially trained manpower for the purpose may be specified for testing the samples of the equipment and vendors to certify adherence of international/ BIS standards for each equipment. **Also government should register private auditing labs to audit digital systems and software of the DAS networks if need be.**
- f) **STB power consumption ratings** to be defined as all over the world, they consume maximum power draining the country of precious energy resource. **Energy Conservation** has become a very important issue all over the world, particularly for a developing country like India. **Bureau of Energy Efficiency** under Ministry of Power has also constituted a technical committee to implement energy ratings of STBs of all types.
- g) **Standards for triple play technologies and hybrid STBs** (QAM, GPON, IPTV, EoC etc.) should be defined.
- h) **Quality of broadcast signal** is of utmost important for the above services. The decoding equipment provided by the broadcasters should be professional grade and compliant of DVB standards. The QoS standards were also made in consultation for the implementation of CAS. The Standards may need some modifications from time to time as the technologies develop.
- i) **Broadcasters** must provide affidavit/ certify in the agreement for professional quality broadcast signal and adherence to content regulations of programme and advertisement codes in their **Service Level Agreements.**
- j) **Round the clock call centre** is not easy to operate for small MSOs as it involves heavy investment. From the last 25 years cable operators are providing 10 am to 8 pm service for 7 days which is good enough. On special occasions including national holidays and major festivals like Diwali, Holi etc. these conditions can be relaxed. However, it could be made mandatory for the National and state level MSOs.

Yours Faithfully,

(Roop Sharma)
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