

Dr. J. S. SARMA (IAS)
Chairman
Telecom Regulatory Authority of India



Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg,
(Old Minto Road), New Delhi-110002

Tel. Off. : (91-11) 23211236
(91-11) 23213409
Fax : (91-11) 23236026
e-mail : cp@traf.gov.in

D.O. No.1-3/2010-B&CS
February 22, 2011

Dear Shri *Memon*,

Please refer your D.O. letter No9/16/2004-BP&L Vol.VI dated 28th January, 2011, referring to the recommendations of the Authority regarding implementation of 'Digital Addressable Cable Systems in India', wherein the Ministry has raised certain concerns regarding the time schedule for digitisation, while agreeing to the rest of the recommendations.

Apropos the recommended time schedule, the following concerns have been raised in your letter: i) the large requirement of Set Top Boxes (STBs) ii) gearing up the indigenous manufacturing industry for STBs and other equipment and iii) lead time for MSOs and cable operators to upgrade their set up and to arrange financing for converting their equipment and networks.

The Authority has accorded careful consideration to each of the issues raised in your letter. It has been observed during TRAI's consultation with stakeholders that STBs can be made available in a short time, since once clear timelines are announced, the manufacturers would schedule their production plans accordingly. It is also understood that the global annual STB production capacity is far in excess of the total national STB requirements over the period until the completion of the digitisation process. Moreover, the lead time for manufacturing of STBs is also not long and our dependence need not be only on indigenous manufacturers. During consultations, it also emerged that many national and regional MSOs are at different stages of upgradation to the digital mode. It is expected that digitisation would not only enhance carrying capacity and improve stakeholder confidence, but also clarify the consumer base and consequently reduce the scope for litigation. This will also enable the cable TV sector to face up to competition from other delivery platforms like DTH, IPTV and mobile TV. Consequently it is expected that digitisation would place the digital cable sector on a sounder footing, thereby enhancing the sector's ability to attract investments, which can be utilised for digitisation. Besides, fiscal incentives have also been recommended for STBs and headend equipments and if these are implemented, this would further enhance the availability of STBs required for adhering to the digitisation target.

Contd..2/-

The Authority is of the view that the timelines indicated by TRAI are achievable. But considering that some time has already elapsed since the recommendations were made in August, 2010, the Authority recommends the following revised timelines for implementation of digital addressable cable TV systems in India.


Phase	Area suggested by TRAI	Ministry's Proposal	Revised timelines recommended by TRAI
Phase-I	Four Metros of Delhi, Mumbai, Kolkata and Chennai	31 st March, 2012	31 st Dec, 2011
Phase-II	Cities with a population More than one Million	31 st March, 2013	31 st Dec, 2012
Phase-III	All urban areas (Municipal Corp./ Municipalities)	30 th November, 2014	31 st Dec, 2013
Phase-IV	Rest of India	31 st March, 2015	31 st Dec, 2013

The Authority is of the considered opinion that it would be possible to complete the digitization process in Phase III and Phase IV simultaneously by 31st Dec. 2013, since there is adequate time now for the stakeholders and the eco-system to gear up for this transition. However, if it is felt that some more lead time is inevitable for Phase IV, the timeframe for the final phase can be extended upto 30th June, 2014.

It is also recommended that a special task force may be set up in the Ministry with all stakeholders for drawing up a detailed plan and for overseeing strategies for adhering to these target dates.

As per procedure, a copy of this letter along with the enclosed annexure is being placed on the TRAI website (www.traigov.in).

With regards,
Yours sincerely,


(J.S.Sarma)

Sh. Raghu Menon,
Secretary,
Ministry of Information & Broadcasting,
Govt. Of India,
Shastri Bhawan, New Delhi-1.