

TELECOM REGULATORY AUTHORITY OF INDIA
PRESS RELEASE NO. 25 /2007

2nd March 2007

TRAI releases Consultation Paper on the Issues Relating to Direct to Home (DTH) service for television

The Telecom Regulatory Authority of India (TRAI) today released a Consultation Paper on the issues relating to DTH. In this paper, various regulatory issues arising out of the provision of the direct-to-home television service have been discussed. At present, apart from Doordarshan which provides free to air channels, there are two other DTH service providers for pay channels and two more have obtained license to commence operation. As the direct-to-home service increases in importance and spread, its role in providing competition to the cable service and offering choice to the consumers would become significant. At the same time there are issues regarding the quality of the service to consumers as well as certain problems being faced by the direct-to-home operators and the broadcasters.

2. The Consultation Paper has highlighted the issues into three categories as below:-

- (i) Interconnection issues.
- (ii) Quality of service standards.
- (iii) Regulatory issues for set top boxes.

3. There are a number of issues relating to tariffs, both at the wholesale and at the retail level. The foremost issue is whether there is need for any regulation of DTH tariffs since the DTH service is in fact providing some competition to cable television. Competition provides an excellent method for ensuring the consumer's interests are protected. Accordingly regulation has a rationale when the market does not function or the level of competition is inadequate. It has been seen in the recent past that there has been some competition between the two DTH service providers as well as between DTH and cable. Competitive packages and offers have been made by all the service providers as against the situation just one year back when the consumer had virtually no choice and options. Considering all these developments, it has been decided that these issues should be looked at after some time when the impact of the competition in general, and impact of roll out of the CAS in cable TV in particular can be assessed. Accordingly the tariff issues have not been posed for consultation at present.

4. The major issues posed for consultation related to interconnection, quality of service standards and regulatory issues regarding set top boxes. At present,

- a. Interconnection issues:-
 - (i) Issues relating to standardization of interconnection agreements and use of the reference interconnect offer methodology.
 - (ii) Issues relating to provision of access to broadcasters, must carry obligations and the related issue of carriage fee.
- b. Quality of service standards:-
 - (i) Whether quality of service standards for DTH should be mandated and the details of this approach.
 - (ii) Whether the approach suggested by TRAI for the telecom sector where the TRAI mandates the details of the grievance redressal machinery – maintenance of call centre, appointment of nodal officers for grievance redressal and establishment of appellate body – can be followed in the case of DTH also.
 - (iii) Whether quality of service standards can be voluntarily evolved by the service provider.
- c. Interoperability of set top boxes :-
 - (i) The major issue is whether technical interoperability should be retained or whether it should be replaced by commercial interoperability.
 - (ii) If commercial interoperability is to be introduced then the manner in which this is to be done.

Interconnection for DTH is already covered on issues relating to “must provide”. However, the reverse obligations regarding “must carry” as well as issues relating to standardization of agreements have not yet been addressed and these have been raised in the consultation paper. On the quality of service standards, the basic issue is whether these should be mandated and if so, in what manner. Finally, the regulatory issues regarding set top boxes focus on the need for commercial interoperability and whether this should replace the technical interoperability. The major issues posed for consultation are indicated in the box placed alongside.

The consultation paper is available on TRAI's website (www.trai.gov.in). All the stakeholders are requested to send their written comments by 20th March 2007, preferably by e-mail.

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Authorised for Issue

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