

Digital Addressable Systems, Challenges & Way Forward

S.K. GUPTA
Pr. Advisor (B&CS)
TRAI

Contents

- Background
- Implementation of Digital Addressable Systems
- Regulatory framework
- Challenges
- Initiative taken by TRAI
- Way Forward

Analogue Systems

- Limited TV channel capacity –
 - Maximum 70 to 80 channels.
- Non transparent business transactions –
 - Based on negotiated lump sum fee.
- Lack of content diversity.
- High carriage fee due to demand - supply mismatch.
- Poor signal quality for most of the channels.
- Lack of effective competition.
- Non availability of Customer choice for various content.

Objective of DAS Implementation

- To improve the quality of service to the subscribers.
- To enable choice of channels to end customers.
- To enhance channel carrying capacity of the networks.
- To bring transparency in business transactions and ensure the Government revenue .
- To bring Effective competition in the market.
- To reduce carriage fee to minimize entry barriers.
- Promote entry of new channels leading to diversity of content.
- To pave a way for broadband and other value added services.

TRAI Recommendation on DAS Implementation

- TRAI recommended complete digitization with addressability in four phases.
- Recommended suitable amendments in the cable TV Act.
- Made provisions for equipments/devices to be compliant to relevant BIS standards.
- Recommended Longer registration period for LCOs and MSOs.
- Incentive to stakeholders implementing digitization, such as tax holidays and reduction in custom duties.
- Rationalization of tax Structure.
- Recommended provision for Right of way for laying cable networks to LCOs.
- Enhancing Consumer awareness about digitization through consumer education programme.

Regulatory Framework for DAS

- A comprehensive regulatory framework was notified for smooth transition to DAS from analogue systems.
 - Suitable tariff, interconnection, quality of service and consumer grievance redressal norms were notified.
- The focus of regulatory framework was on:
 - Transparency,
 - Non exclusivity,
 - Non discrimination, and
 - choice to consumers.
- Compliance with BIS standards was made compulsory for Set Top boxes to maintain good quality.

Challenges in Achieving Objectives

- Technical challenges
 - Quality of STBs.
 - Technical interoperability of STBs.
 - Network up gradation for providing broadband and other value added services.
- Commercial challenges
 - Implementation of commercial interoperability of STBs, stuck in litigations
 - Creating awareness about various schemes for provision of STBs and channel packages.
 - Reduce cost of migration from one service provider to other.
 - Service differentiation among service providers.

Challenges in Achieving Objectives

- Industry challenges
 - Signing of written interconnection agreements based on mutual agreement.
 - Changes in business practices and mindset to do business based on subscriber choice.
 - Improving transparency and non-discrimination in business transactions.
 - Revenue flow in the value chain as per written agreement.
 - Reduction in disputes on petty issues.
 - Provisioning of genuine subscriber data into Subscriber Management System.
 - Issue of computerized bills and receipts to the subscribers.
 - Consumer grievance redressal as per norms.

Challenges in Achieving Objectives

- Rationalization of carriage fee
 - Improve transparency and non-discrimination.
 - Relate with cost of distribution in scientific manner.
- Placement fee
 - Relates to allocation of LCN for a channel.
 - Huge discounts are associated with allocation of specific LCN making it non transparent and discriminatory.
- Packaging fee
 - Special discounts to DPOs if channels are provided in basic pack.
 - This results in virtually withdrawing any consumer choice.

Recent Initiatives taken by TRAI

- Signing of new interconnection agreement before expiry of the existing agreement made mandatory.
- Prescribed framework for Model Interconnection Agreement (MIA) & Standard Interconnection Agreement (SIA) to facilitate signing of agreements between LCOs and MSOs, improve quality of service to consumers, and reduce disputes.
- Initiated consultation with stakeholders on tariff and interconnection issues prevailing in the industry.
 - The objective is to bring about a common framework for all type of Digital Addressable Systems.
- Initiated consultation process on Register of Interconnect to improve transparency.
- Initiated consultation process on technical interoperability of STBs.

Activities in Hand

- Contemplating to bring out a comprehensive quality of service norms for all type of addressable systems.
- Online registration of cable operators.
- Infrastructure sharing in the distribution sector to bring in efficiency.

Way Forward

- Ensure transparency in agreements and transactions.
- Ensure non discriminatory and transparent behavior of the industry.
- Choice to consumers specially choice of channel on a-la-carte basis.
- Generate Consumer awareness through different channels.
- Ensure provision of effective quality of service.
- Clear framework for carriage, placement and packaging aspects to reduce entry barriers to new entrants and enhance competition.

The digitization cannot be achieved in true sense till the above objectives are achieved.



THANKS

e-mail:-pradvbcs@traai.gov.in