

Without Prejudice

Times Network's Comments on the TRAI's Consultation Paper on KYC of DTH Set Top Boxes

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Introduction :

We appreciate the Authority's consultation process on this important issue concerning the broadcasting industry in India. The intent of floating this CP is to address illegal & unauthorized usage of DTH services beyond the territorial boundaries of India as the same is a matter of concern to the entire broadcasting industry. To make India a globally recognised soft power in the realm of media, it is very important that the services are provided through the proper and authorized routes only. The DTH licenses in India are granted for providing services within the country and the services outside India are not authorized as per terms of the DTH license.

The other modes of distribution like Cable, HITS, IPTV etc. very well confine to the territorial boundaries and does not cross them. In case of DTH service, just because that the satellite footprints are available in the various countries, they should not get access to these services without proper authorization of the Government. In case the DTH services are to be provided to other countries, then the same should be introduced through proper route after making amendment in the DTH Policy Guidelines and also framing of the necessary rules & regulations thereof post considering the stakes of different players in the value chain and thereafter it shall be subject to the commercial negotiations between the service providers.

The broadcaster enters into an agreement for redistribution of its TV channels with the DTH operator and authorizes the DTH operator to only retransmit the signals within India. The monthly subscriber report (MSR) being shared by the DTH operator to the broadcaster for billing purpose also contains subscriber numbers for the viewers in India. For all such viewers outside India by whom the DTH services are received through smuggled DTH boxes are not accounted for in the MSR and hence the payment towards its share is not received by the broadcasters. Hence the services beyond the territorial boundaries are detrimental to the interest of the broadcasters wherein it amounts to piracy and unauthorized retransmission of its signal. Such services also give rise to practises such as money laundering, financial improprieties and loss of tax revenue to the Government. This is happening due to smuggling of DTH boxes overseas.

The broadcaster right to enter into lawful distribution of its signals through the distribution platforms in other countries also get impacted if the signal is available in an unauthorized manner, as the demand for its channels will be met through such unauthorized distribution. Since, the Authority wants to deal with subscribers who are accessing the Indian Tv channels from outside, making KYC or e-KYC of DTH Set Top Boxes mandatory is also likely to address inter alia, various issues like improving subscription revenue and to control the piracy.

Response to the Issues for Consultation :

1) Is there a need for KYC or e-KYC of DTH Set Top Boxes to address the concern raised by MIB in their letter mentioned in paragraph 1.5 of this consultation paper? Give your answer with justification.

Comment:

Yes, The KYC/e-KYC of DTH STB is very much required and should be made mandatory all DTH subscribers. This can effectively address the problem of the smuggling of DTH STBs to other countries.

Since the KYC norms are very well established for availing various services in the country, there should not be any issue with introduction of KYC norms for the DTH STBs. With the help of technology, the KYC process can be effectively introduced for DTH services.

2) If your answer to Q1 is in the affirmative, then what process is to be followed?

Comment:

The following process may be followed for new installation / re-installation of DTH boxes :-

- Installation address should be strictly as per the documentary proofs submitted;
- The DTH retailer / seller should be mapped to the customer to know the retailer / seller details as it is likely that such smuggling happens through the loose seller network;
- The DTH services should be activated only after physical verification is done;
- The verification documents should be re-verified every after 3 years and maintained by every DTH operator without fail. This data of subscribers without verification documents shall be submitted by each DTH operator to the Authority every year.

3) Whether one-time KYC is enough at the time of installation or verification is required to be done on periodic basis to ensure its actual location? If yes, what should be the periodicity of such verification?

Comment:

One time KYC should be done at the time of installation / re-installation. However periodic KYC every after 3 years may be considered for effective implementation.

4) Whether KYC of the existing DTH STBs is also required to be done along with the new DTH STBs? If yes, how much time should be given for verifying the existing STBs for DTH?

Comment:

Since there are already illegal boxes smuggled outside India which are in service, hence the KYC of the existing boxes also becomes imperative. Otherwise the initiative will not bring in the desired results. This exercise shall be completed within the period of six months from Notification by the Authority.

5) Whether the location-based services (LBS) needs to be incorporated in the DTH set top boxes to track its location? Will there be any cost implication? Give your response with supporting data and justification.

Comment:

The LBS may be incorporated in the new STBs being seeded in the market. In view of the large STBs already being deployed, the same should not be mandated for the existing STBs. The additional cost for such LBS should form part of the new STBs.

6) Any other issue relevant to KYC of DTH Set Top Boxes?

Comment:

The KYC process should be designed in such a way that it is driven by technology and causes minimum disturbance to the users while at the same time achieves its desired purpose. If it is too cumbersome, it may deviate a part of subscriber to other modes like Cable etc. where the KYC norms are not applied, thereby affecting the DTH business prospects in India.
