

Telecom Regulatory Authority of India (TRAI)

Frequently Asked Questions on CAS and Related Orders and Regulations of TRAI

A. Background information about Cable TV operations:

The channels that we see on TV are created by different broadcasters. These channels are of two types, viz., “pay” channels and “free to air (FTA)” channels. Pay channels are those for which the broadcasters charge an amount, while the FTA channels are given by the broadcasters without any payment. These broadcasters transmit the signals of these channels from satellite to receiving stations owned by Multi System Operators (MSOs). The MSO in turn retransmits these signals through cables to the cable operators, who have their own “last mile” cable network to individual homes and customer premises. The present practice in India is that the MSO, after buying / receiving the signals of various channels (both pay and FTA) from different broadcasters, makes them into one single bouquet or bundle and transmits them to individual subscribers’ homes through the cable operators, and charges us for the entire bundle. This results in a subscriber paying for a channel or channels which he does not want to see, but for which he has to pay because it forms part of the bundle. This is not to say that the MSO is at fault, because the MSO has to cater to different tastes of individuals who are all residing in the same locality being served by him through the cable operator.

However, with the advancement of technology, it is now possible for the consumer to decide and choose which pay channels he wants to see and pay only for such pay channels. Of course, this requires investments to be made both by the MSOs and the consumers (or subscribers) in certain hardware and software. In particular, the subscriber will need a “Set Top Box” with a viewing card/smart card in it. Once this is done, then it becomes possible for the MSO to encrypt the signals for all the pay channels, transmit these encrypted signals of pay channels and unencrypted signals of FTA channels to subscriber’s set top box, where the viewing card / smart card decrypts the signals of only those pay channels for which the subscriber has chosen to pay and watch. Of course, FTA channels will automatically be available for viewing because its signals are not encrypted.

B. Conditional Access System /Addressable System, CAS Area, Non CAS Areas etc.

1. Question:- What is CAS or Addressable System?

Answer :- Conditional Access System (CAS) or Addressable System is a description normally used for a set of hardware devices and connected software (including a set top box) used at different stages of distribution of a TV channel through which normally the pay channels are transmitted in encrypted form. The subscriber is given an authorization depending upon his request to view one or more of such encrypted pay channels of his choice. The subscriber will pay for those pay channels which he or she has chosen to view in such a system. The authorization is given and controlled by the Multi System Operator (MSO) who owns the Conditional Access System in a Cable Television Network. In this, he is often assisted by the Local Cable Operator. The words “Conditional Access System” and “Addressable System” are quite often used interchangeably. “Addressable system” signifies that a subscriber is identifiable. The Multi System Operator and the broadcaster will know the exact number of subscribers of a pay channel or a bouquet of pay channels and the amount that is due from that subscriber.

2. Question :- What is a CAS area ?

Answer:- “CAS area” means area or area(s), in which in terms of notification issued by the Government of India under The Cable Television Networks (Regulation) Act 1995, it is obligatory for every multi system operator/cable operator to transmit or retransmit programmes of any pay channel through an addressable system from a specified date. This in effect means that the pay channels in that area will be encrypted and for viewing the pay channels in such area, a subscriber will have to have a Set Top Box.

3. Question :- How would one know whether `CAS' system is applicable to his area or location?

Answer:- Currently CAS has been made applicable to entire Chennai Metropolitan Area and will come into force from 31st Dec2006 in certain parts of Delhi, Mumbai, and Kolkata. A complete list of these notified areas is available on TRAI's Website <http://www.traai.gov.in/traai/upload/TariffOrders/57/tarifforder31aug06.pdf>. For further details one can contact the nodal officer appointed by the State Government. It is clarified that it is only in the area or area(s), which is notified for CAS implementation, that a set top box to watch the pay channels through the Cable Television Network will be required for all the subscribers living in that notified area. The Nodal Officers are the following:-

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| 1) Shri S V Mohite,
Deputy Commission of Police,
CB(P) CID, Mumbai Police
Mumbai | 3) Shri Sanjeev Khirwar,
Commissioner (Entertainment Tax)
Excise, Entt. & Luxury Taxes Deptt.
New Delhi. |
| 2) Shri Abhijit Sanyal
Jt Secretary & Ex Officio,
Director of Film (I&CA)
Government of West Bengal, | 4) Shri Ambuj Sharma (I.A.S)
Special Secretary (Home)
Govt of Tamil Nadu,
Secretariat, Chennai |

4. Question:- How Non CAS is different from CAS ?

Answer:- Under a Non Conditional Access System or a Non Addressable System, the pay channels are sent in unencrypted form and the subscriber will not have any option to choose a pay channel of his choice and pay for that only. Under this system, which is prevalent in the country excepting in Chennai (and from 31.12.2006 in parts of three metros of Mumbai, Delhi, and Kolkata), a subscriber has to pay for all the channels that he receives from the cable operator irrespective of the fact whether he wishes to view a particular channel or not. On the other hand, a subscriber under CAS regime will be free to choose channels of his choice and pay only for such channels.

C. *Set Top Box, Smart Card, STB Tariff package etc*

5. Question :- What is a 'set top box' ?

Answer:- "Set top box"(STB) means a device, which is connected to a television set at the subscribers' premises and which allows a subscriber to view encrypted pay channels of his choice on payment. The basic function of the Set Top Box is to decrypt the signals of those pay channels which the subscriber has been authorized by the multi system operator to receive and to convert the digital signals into analogue mode for viewing on television sets.

6. Question :- What is a smart card or viewing card ? How is a subscriber given authorization in CAS?

Answer:-A smart card or a viewing card essentially functions like an ATM Card and comes along with the Set Top Box and allows the signals of only those pay channels to be seen which the subscriber has contracted to pay for a particular period.

7. Question:-Does one have to buy a new smart card if one wants to change the subscription to pay channels (i.e., opt for a different pay channel) ?

Answer:- No. Since in CAS subscriber is addressable, a subscriber has to only intimate the change in package to the multi system operator directly or through the Cable Operator, the multi system operator can change the privileges attached to the viewing card or smart card attached to the Set Top Box.

8. Question :- Will the Set Top box allow free to air channels to be received in the Television set ? Does one require a set top box to view only Free to Air Channels?

Answer : The installation of Set Top Box to view pay channels will not prevent the free to air channels also to be received by the subscriber along with the pay channels to which he has subscribed for. In case if a subscriber does not want any pay channel to be subscribed and wants to view only FTA channels, he need not have a set top box attached to his television set.

9. Question :-Where and from whom can I get a Set Top Box?

Answer:-The following options are available to the subscriber:

- i) A subscriber is free to get a Set Top Box on a rental basis from the Multi System Operator under a Standard Tariff Package prescribed by the Telecom Regulatory Authority or under any alternative tariff package offered by the multi system operator. The details of the Standard Tariff Package are given elsewhere in this FAQs.
- ii) A subscriber is also free to buy outright the set top boxes from the Multi system operator.
- iii) A subscriber can opt to purchase a set top box outright from the open market if available. It has to be ensured that it is as per the specifications of Bureau of Indian Standards and technically compatible with the multi system operator's system.

10. Question :-What do I have to do to get the Set Top Box?

Answer:- A subscriber has to make an application in a format prescribed by the multi system operator /Cable operator and comply with the formalities as required in the

application to get a set top box. Alternatively, a subscriber can purchase a Set Top Box from the open market, if available. As per the requirements of QOS regulation one can make an application commencing from 15th October 2006 subject to the readiness of the Multi System Operator to accept applications.

11. Question :- Where and how one can know as to what the BIS specifications are; places from where I can get the boxes from the open market; and whether the Conditional Access System of a purchased box is compatible with the Multi System Operator ?

Answer:- For the purpose of facilitating the subscribers the Quality of Service Regulation of 23rd August 2006 and the Tariff Order of 31st August 2006 issued by TRAI has provided that the multi system operator shall publicise the sources, models and the procedure for obtaining the Set Top Boxes. He is also required to publicize the schemes including the standard tariff package prescribed by TRAI. The multi system operators have been required to conduct a public awareness campaign for a period of 30 days commencing from 15th October 2006. In case of difficulty you can get in touch with the Nodal Officer appointed by the State Government or the Multi System Operator of your area either directly or through the Cable Operator in your neighbourhood.

12. Question: - What are the details of the Standard Tariff Package prescribed by Telecom Regulatory Authority (TRAI) of India for Set Top Boxes (STBs) ?

Answer:- Vide its Tariff order dated 31.8.2006, TRAI has provided for a Standard Tariff Package for supply of STBs. The package provides that every multi system operator / cable operator in a CAS area shall compulsorily offer to the subscribers both Option I (Rental of Rs.30 P.M+ Refundable security Deposit of Rs.999/-) and Option II (Rental of Rs.45 P.M+ Refundable security Deposit of Rs.250/-) as a standard tariff package (STP). No monthly rental will be payable after 5 years and the Set Top Box will become the property of the subscriber

13. Question :- Can I return the Set Top Box taken on Rental Basis?

Answer:- Yes, one can return the Set Top Box taken on rental Scheme under the Standard Tariff Package within a period of five years, provided the set top box has not been tampered with. On return of the Set Top Box under the Standard Tariff Package, Multi System Operator is entitled to make a deduction @ Rs. 12.50 / Rs 3.00 per month of use on account of depreciation from the security deposit under option I or option II respectively. However, where a subscriber has already taken a Set Top Box under the Standard Tariff Package and takes a refund after surrendering the Set Top Box then that subscriber will not be entitled to a new Set Top Box under the Standard Tariff Package (from the same service provider) unless he/she is shifting residence to another city or to another area in the same city where the service is not available from the same multi system operator. The details are available on TRAI's website www.traigov.in.

14. Question :- In how many days will I get the refund of security deposit in case of return of Set Top Box taken under Rental Scheme?

Answer:- In cases where a customer chooses to return a set top box, the refund of security deposit, if any, shall be made within seven days as per the prescribed scale. This will not apply to cases of return of set top box where it is found that the set top box returned has been tampered with by the subscriber. In such cases the cable operator /MSO shall inform the subscribers within 4 weeks about their decision in the matter.

15. Question:- What are the remedies if set top box supplied by the Multi System Operator malfunctions?

Answer: In cases where there is a malfunction of a set top box supplied, by a cable operator / MSO, then he will arrange for repair or replacement, (without any extra charge upto five years) as the case may be, within 24 hours of receipt of the complaint of

malfunctioning. This will not apply to cases of complaints of malfunctioning where the set top box has been tampered with by the subscriber.

16. Question:- Is the Standard Tariff Package the only package?

Answer:- No. In addition to the Standard Tariff Package containing two options as mentioned in answer to Question No 12 to be compulsorily offered to the subscriber, a multi system operator / cable operator is free to offer alternative tariff packages (ATP) which the subscribers can choose from.

17. Question : Has TRAI prescribed any scheme for outright purchase of Set Top Boxes?

Answer:- TRAI has not prescribed any scheme for outright purchase from open market or from the MSO.

18. Question :- Whether any charges are to be paid for installation, repairs etc. of the STBs at the place specified by the subscriber ?

Answer:- No charges for activation, installation, smart cards, and repairs (upto five years) are to be paid by the subscribers either in the standard tariff package or in the alternative tariff package.

D. Free to Air Channel, Pay channel, Basic Service Tier Tariff

19. Question: - What is meant by `pay channel?

Answer:- “Pay channel” means a channel for which fees is to be paid to the broadcaster and which would require the use of an addressable system (a set top box) attached with the TV set of a subscriber in CAS notified areas.

20. Question :- What is a `free to air channel' ?

Answer:- “Free to air channel” (FTA Channel) means a channel for which no fees is to be paid to the broadcaster and which would not require the use of Set Top Box for viewing such channels. Since the channels are carried through the distribution chain using the infrastructure created for transmission, a charge has to be paid for the same to the cable operator which is known as ‘Basic Service Tier Charges’.

21. Question :- What is meant by `Basic Service Tier' ?

Answer:- `Basic service tier’ means a package of free-to-air channels provided by a multi system operator /cable operator which can be viewed without any Set Top Box attached to the television set and the Basic Service Tier Charge is single price payable by the subscribers to the local cable operator for such package consisting of Free to Air channels.

22. Question:- What is the amount of Basic Service Tier Charges that is required to be paid to the local cable operator for FTA channels ?

Answer:- The TRAI vide its order dated 31.8.2006 has provided that the maximum amount that a multi system operator /cable operator can demand for receiving programmes transmitted in the basic service tier cannot exceed Rs.77/- per month (excluding taxes) for a minimum of 30 FTA channels. In case if additional FTA channels are offered over and above 30 minimum FTA channels, no additional amount will be chargeable for such additional FTA channels. The amount of taxes will depend upon the tax notifications issued by the Government of India /Concerned State Governments from time to time.

24. Question:- What is the maximum retail price that has been laid down by the TRAI for a pay channel ?

Answer:-The TRAI vide its Tariff Order dated 31.8.2006 has fixed a ceiling on maximum retail price (MRP) of Rs.5/- per channel per month per connection (excluding taxes). The broadcasters can fix the MRP of their channels within this ceiling. The details of declarations of MRP made by the broadcasters are available on TRAI's website <http://www.traai.gov.in/traai/upload/Reports/30/report13oct06.pdf>

25. Question :- Do I have to subscribe to bouquets of pay channel compulsorily?

Answer:- No. The Tariff Order issued by TRAI mandates that the pay channels will be offered on a-la-carte basis by the broadcasters /multi system operator and Cable operator. A-la -carte basis means that the pay channels will be offered individually with a maximum retail price for each channel fixed by the broadcasters within the ceiling of Rs 5/per channel per month. Bouquets of pay channels can also be offered only in addition to the a-la-carte offer and not otherwise, and the right to choose will remain with the subscriber.

26. Question: - Can one subscribe to a pay channel for any period of time?

Answer:- The Tariff Order issued by TRAI on 31.8.2006 stipulates a minimum subscription period of 4 months for any pay channel. In effect this would mean a subscriber opting for a subscription period of less than four months would have to pay at least Rs. 20 per pay channel ie., Rs. 5 per pay channel for a minimum of four months.

