

**TRAI CONSULTATION PAPER NO. 14/2008 DATED DECEMBER 01,  
2008 ON QUALITY OF SERVICE ISSUES FOR CABLE TV SERVICES IN  
NON CAS AREAS AND FOR DTH SERVICES**

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## **DISH TV Response on Quality of Service Issues relating to DTH**

Dish TV welcomes review of the quality of service guidelines by the TRAI by way of various issues raised in the present consultation paper with respect to the DTH services. It is pertinent to mention here that unlike other services where the consumer is either tied to a geographical area or is bound with his service provider, there is a freedom for the customer to choose such DTH service provider as it may deem appropriate. Before responding to the issues raised in the consultation paper, it is worthwhile to highlight the following:

- Quality of Service Guidelines can be effective only if all the stakeholders in the DTH service right from the broadcasters to the consumers work on uniform practices & principles with an objective to provide quality services and value for money to the consumers.
- Regarding the stipulations provided/contained in QoS Regulations for uninterrupted availability of a channel for a particular period, a DTH operator may be constrained to provide a channel on continuous basis, in the event the channel converts from FTA to “Pay”. The right to convert a channel from Free to Air to Pay is with the Broadcaster and as soon as the Broadcaster converts a Free to Air channel to a Pay channel, a DTH operator has to pay subscription to the Broadcaster for availing the said channel. However due to the restriction under the Quality of Service Guidelines, the DTH operator cannot charge the customer for the same. In such a scenario it would be a cost burden for the DTH operator who is required to provide a channel free of cost to the consumer despite the fact that it has to pay the license

fee/subscription to the Broadcaster. Under such circumstances, the equity & fairness demand that the DTH operator should be free to charge the customer for the same.

- Another important and prevalent aspect is the change of agent / distributor of any channel whereby because of such change, the rate of the channel increases. As is seen in many cases, once the distributor / agent of the channels changes, a new bouquet is formed and the prices of the channels are increased because new the distributor is not bound to charge the same price which the old broadcaster / agent was charging. The new distributor circumvents the Regulations by creating a new Bouquet and charging higher rate for the same channels or same set of channels by repackaging and/or clubbing them with some already existing channel(s)/bouquet(s).

A classic and burning example of the same is what has happened in the case of CNBC / TV 18 channels which moved from Zee Turner bouquet and became a part of Star Den. Star DEN has made new Bouquets for the CNBC Channels whereby the price of these channels have been increased. In the instant case, the ala carte rates of the channels are under challenge before the Hon'ble Telecom Dispute Settlement Appellate Tribunal and there no clarity on the bouquet pricing of TV 18 channels even from TRAI. And now in order to prevent any intervention from the Regulator, another channel MGM has been added in the same Bouquet. All these actions have an adverse effect on DTH service providers which in turn is bound to affect the consumers' pricing.

All the above are illustrative instances of increase in rates of the channels because of the change in rate (s) by the Broadcaster/agent and the DTH operators are being made to suffer since the Quality of Service Guidelines prohibit any increase in the rate of the channels being made available to a subscriber for a minimum period of 6 months from the day the customer has been enrolled.

With the above mentioned background and prevalent factual situation, our specific response to various issues raised in the consultation paper is as under:

**QOS issues relating to DTH**

Q (i) **Whether the DTH operators should be specifically prohibited from dropping of channels from a subscription package for a subscriber for six months from the date of enrolment of that subscriber, if the channel continues to be available on their platform**

Ans: (1) The existing QOS Guidelines provides that a DTH operator has to continue providing the channels to the subscriber without increasing the price of the same for a minimum period of 6 months from the date of enrollment of the subscriber. The relevant Clause 9 reads as under:

***(1) No direct to home operator shall, increase the charges for a subscription package offered by him, to the disadvantage of the direct to home subscriber, or change the charges to the disadvantage of the direct to home subscriber for a minimum period of six months***

***from the date of enrolment of the subscriber for such subscription package...”***

We are of the opinion that DTH service providers and consumers have a commercial relationship whereby a customer is provided with channels for which the customer has paid for.

**(2) The stipulation under QoS Regulation that the change of channels from the package offered to the consumer should not be done for a period of 6 months till the time the consumer has subscription to that package or he has been offered the channels under a particular scheme is acceptable only under the situation where the similar conditions is imposed on the Broadcaster / agent of the pay channels whereby they are also prohibited from increasing the price of the channel for a minimum period of 6 months, without any exception.**

Under such circumstances, a Broadcaster / agent also will not be able to increase the price of the channel and / or convert a Free to Air Channel to a Pay Channel and / or in case the agent of the channel changes, then the old bouquet and the a-la-carte price of channels would continue.

(3) These stipulations are quite essential as today when DTH service providers are bearing huge cost of subsidies on the boxes to promote the digitalization, these service providers should not be asked to bear further burden of the provision of channels even if they are required to bear the higher subscription fee from the Broadcasters because of frequent price changes as illustrated above. In case a consumer wishes to have protection from any further hike in price then he should try to enroll or take subscription for a larger period.

(4) We would also like to state that any condition whereby a DTH operator is prohibited from changing a package for a minimum period of six months from the date of enrolment of a subscriber, would indirectly imply that a DTH operator can never change the composition of a package and / or at a particular point of time, it will have large number of packages which would make the DTH offering confusing for the subscribers.

On the other hand, we are of the considered view that if at all this conditions is to be incorporated in the QOS Guidelines, then it should provide that the **channels of a subscriber shall not be changed for such period for which the subscriber has subscribed for the DTH services. For instance, if a customer subscribes for a period of 3 months, then his channels shall not be changed during the subscription period of three months. However the DTH platform should have the right to change the package after the expiry of the initial subscription period.** This would provide flexibility to the operator and also an opportunity to create beneficial packages for the consumers.

#### **(5) Effect of Inflationary Price Hike by TRAI / Taxes / Levies**

TRAI keeps on permitting price hike periodically due to inflation. In such circumstances the DTH operators should be allowed to increase the pricing by that percentage to the consumers e.g. recently TRAI has allowed the increase in price on account of inflation related adjustments by 7%. Since at present the DTH prices are also derived from non-CAS prices (50% of non-CAS prices), the impact of permitted inflationary rise is automatically reflected in the rates charged by the broadcasters for DTH service providers. Accordingly, it is imperative to revise the rates /prices for the DTH subscribers as well to the

extent of permitted inflationary rise. Needless to mention that the inflationary adjustment has to be carried out across the value chain. Similar is the position in respect of any new statutory levies/taxes and/or any change in the existing rates of such levies/taxes.

**Q. (ii) Within this period of six months, in case the channel ceases to be available on a particular DTH platform, then whether it would be appropriate to have a mechanism of reducing the subscription charges by an amount equal to the wholesale a-la-carte rate of that channel. Alternatively, can you suggest any other methodology for such compensation to the subscriber? Should such compensation be paid/adjusted even when one channel in a package is dropped, and it is replaced/substituted by another channel so that the total number of channels in that package is not affected ?**

Ans: In case a channel ceases to be on DTH platform during the period of six months or during the tenure of subscription by the consumer then the DTH operator should be allowed to replace the channel **by a same genre channel**. There should not be any reduction / refund of the subscription fee to the customer more so because more often than not, the removal of channel takes place because of the circumstances beyond the control of DTH operator and the reasons of such removal mostly pertain to the broadcaster. In such cases, since the removal is not being done by the DTH operator, reduction of subscription fee is not warranted and accordingly the same should not be stipulated.

**Q. (iii) Whether the subscribers should also be required to subscribe to any channel/ package for a certain minimum subscription period as in CAS areas. If yes, what should be such minimum subscription period ?**

Ans: (1) We are of the opinion that in case the consumers are being given the benefit of protection of price and the protection of channels which are being made available to them for a minimum period of 6 months, similar condition should also be stipulated whereby a customer should be required to subscribe to a package for a minimum period of 6 months from the date of enrolment. After the expiry of 6 months, the subscriber may have the option to choose any payment term as the subscriber may deem appropriate. This would be an important step since the DTH operators are offering huge subsidies on Customer Premises Equipments & on subscription packages and to protect the interest of the DTH operators, it is imperative that the subscribers who are availing the benefit of subsidy continue with the same DTH operator.

(2) Also, invariably certain broadcasters, especially the sports broadcasters, stipulate a minimum period for which subscriber has to necessarily subscribe to their channel so that it should subscribe to the package for a particular minimum period of time, which can be implemented and adhered to by informing the subscriber upfront and the minimum subscription payable for the same. This is stipulated by the sports broadcasters on the pretext that they are paying huge money for acquiring rights of various sports events and the monthly subscription price of the channel is fixed by averaging out such cost on monthly basis keeping in view the minimum subscription period. Such type of contracts are quite common in non-CAS cable distribution as well. Similarly in CAS there is a stipulation of minimum period of 4 months subscription. Accordingly in case of DTH as well, the minimum subscription period should be stipulated for DTH subscribers specially in case of sports channels.

**Q. (iii) Whether there is any justification for visiting charges for “no signal” complaint by the subscribers? If yes, should there be a ceiling on such visiting charges for complaints of “no signal”?**

Ans: (1) The DTH service is available in far flung areas and the ODU (Out Door Unit) comprising of antenna cable and LNB is exposed in open. To state that the “no signal” issue arises by itself is normally not the case. The same happen because of the mis-handling of the ODU and also some times because of the external and weather related factors.

(2) We are providing a warranty to the subscribers under which the subscribers are not required to pay during the warranty period. However, to impose a condition under which a DTH operator has to provide the visit facility free of charge for the entire period during which customer stays with the DTH operator will be totally onerous and commercially not feasible.

(3) In our view, it should be obligatory on a service provider to specifically inform the consumers about the warranty clauses & the visit charges once the warranty period is over. The visit charge is completely justified as it needs a person to visit the premises of the customer, attend and rectify & correct the problem and this should be applicable even in the case of the hire purchase or rent as it involves considerable expenditure.

Hire purchase or rentals do not give any warranty on any product to the effect that it will be maintained by the original owner. The onus of daily proper upkeep & maintenance has to be on the end user.

**Q. (iv) Similarly, should any ceiling be placed in respect of visiting charges for repair and maintenance of CPE for DTH services? Alternatively, should DTH operators be required to offer Annual Maintenance Contract (AMCs) to their subscribers?**

Ans: AMC is a welcome step in the direction to provide services to the consumers to their satisfaction. All consumer goods and durables have the AMC provision associated with their products & the Consumer Premises Equipments including the Set Top Boxes used for DTH also fall in the same category.

A uniform AMC will not be appropriate as the CPE installed by different operators or within the same operator can differ & vary to a great extent. Accordingly the cost of repair and maintenance can also differ. Thus in this competitive scenario the operators will come out with attractive AMCs, as this can be another service point which they can offer at the time of customer acquisition.

The only stipulation in QoS Regulations can be that each DTH service providers shall have to inform the subscriber about the AMC scheme (s) at the time of customer acquisition and/or before the expiry of warranty.

**Q. Can you suggest some form of AMCs for DTH Service covering all aspects such as repair & maintenance charges for CPE, visiting charges, attending “no signal” complaints, etc?**

Ans: Dish TV is of the opinion that the operator should be free to offer his services & his own formats of AMC so that he is able to give best possible services to their subscribers. The freedom given to the DTH

operators to finalise such format of AMC as they may feel beneficial for their subscribers would also result in competitive offers and competitive pricing which would ultimately help the consumers only.

**Q. Whether the service providers should be required to make available toll-free numbers for recharge calls for prepaid account?**

Ans: DTH operators especially like Dish TV offers at least 8-9 mode of payment which doesn't necessitate consumers to call up the call centre. Handling a call in the call centre is an expensive proposition & thus a consumer need not even call. Therefore we see no justification in providing Toll Free Call No in the present scenario when the content cost is increasing, the competition is bringing the ARPU down and the heavy burden of taxation on DTH is not being reduced, imposing additional burden on the DTH operator will be disincentive. We would like to stress here that a consumer can choose from multiple choice for payment of subscription to the DTH operator and the subscriber is not required to call the DTH operator. The details of such payment options are also available on the websites as well as with the dealers of DTH service providers.

**Q. Whether the request for suspension of service for full calendar months only should be entertained?**

Ans: We are of the opinion that the request for disconnection of the service should not be for a period of less than one calendar month. Since a DTH operator is required to make the payment of license fee to the content providers on monthly basis, a subscriber who is deactivating his services between 2<sup>nd</sup> & 29<sup>th</sup> of the month will be calculated as a payable subscriber to the broadcaster whereas he may not have viewed the channels & accordingly will not be willing to pay for the

month. In such cases, despite the fact that the customer has not paid the subscription fee to the DTH operator, the DTH operator will have to pay to the content provider for such customer.

Thus it is suggested that either it should be done from the calendar month or the operator should be allowed to charge a service fees for extending this service, whether a customer has actually viewed the channels or not. There can not be any suspension for part of the month.

**Q. Whether tariff plans or subscription package changes requested by DTH subscriber should be accepted and implemented immediately or from the start of next billing cycle for DTH.**

Ans: The request for change of tariff plan is normally today extended by all the service provider within 24 hours. This is an additional feature given as customer service. We suggest there are additional expenses in handling the call, addressing the query & changing the packages & to discourage frequent unwarranted movement, the operator should be allowed to levy administrative charges to the maximum amount of Rs 50/-

**Q. Whether advance notice of minimum 30 days should be given by DTH operators to a DTH subscriber before terminating his existing tariff plan provided that no tariff plan can be terminated within the contracted period ,if any, for that package or within six months of enrolment of that subscriber to that package.**

Ans: Once a contract is executed between the DTH operator and the subscriber which means a subscriber has subscribed for a package for a particular period, his plan may not be changed. However

operators may require to change plans on account of various developments & implications on the pay channels front where the rates of pay channels increase or a new pay channel is introduced necessitating a change in the tariff charge may be initiated. However TRAI should ensure that the broadcasters also follow the same QOS for e.g. if a subscriber has subscribed for a package containing “X” channels for a period of one year then due to the channel changing the distributor or inflationary increase, the service provider cannot be forced to continue making losses on the unexpired balance tenure of the subscription contract. It should be ensured that QOS is not only on the operator but is also on the other service provider viz Broadcasters only then a meaningful quality service would be made available to the subscribers in the letter & spirit of QoS guidelines.

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