

To,

Mr Wasi Ahmad

26<sup>th</sup> April 2013

Advisor, (B&CS)

TRAI, New Delhi

SUB: COMMENTS ON DRAFT ON TARIFF ORDER

Dear Sir,

I am a Cable Operator from Nashik, Maharashtra. I have gone through the draft that has been put up on the TRAI website and would like to give my views on this. Sir I feel that the advisory committee that gives TRAI the guidelines has really not understood the basic technical working of the cable tv networks. Sir the orders that have been formulated seem to be based on the facts that like DTH where by the cost of delivery of signals to consumer regardless of where he is placed in India, is the same, Cable TV also must be having the same equation. This is absolutely not the fact as signals to consumers are physically connected by cables of various lengths depending on the location of the consumer. Also depending on the climate (heat, extreme cold and rains) of the particular place of operation the cable can at unpredictable time period be required to be replaced. Hence the cost of maintenance varies vastly for different situations. Hence it is unfair to fix the rates for providing cable TV service. Now as you know that when a product is sent to various states, transportation factor determines the MRP of that product. Hence even for Cable TV the ground maintenance should determine the service charge to the consumer.

The rates for the pay-channels are already prohibitive. If these very pay-channels can afford to do business in Pakistan selling their product at Rs 1/- per channel, they can very well do this for our country also. In fact there should be a detailed study on the rates that pay-channels have levied in India. We can't allow Mr. Rupert Murdoch to loot this country of valuable foreign exchange. TRAI wants to control the Cable TV operator's rate but there is absolutely no control over what pay-channels charge anything from Rs 5/- to Rs 200/- per channel month.

Sir regarding the rental and cost of the box and the condition of free repairs for the next 5 years is to my mind impractical. By act of God, lightening and high voltage caused by inefficiency of electricity departments is the biggest reason for STBs getting totally destroyed. How can the cable operator take this burden on his shoulder? DTH is allowed to charge Rs 250/- per visit for any kind of maintenance. Since the cable operator does not charge for his visits, the repairs of STB after the warranty period should be chargeable. TRAI has not taken into account of the misuse of boxes which is the second biggest reason for failure. When pay-channels and DTH are not liable for the boxes though they claim the boxes remain their own property, why cable TV should be ruled differently.

Sir I hope my comments convince you to see that the implementation of these Tariff order is regressive to the cable industry and TRAI is effectively weakening the

competition to DTH. When promoting competition should be the primary motive of the Government so that consumers get the best deal, this in fact is just the opposite move, leaving the consumer at the mercy of Corporate and foreign companies. Why is cable TV being treated as a service that holds national priority? When there is no monopoly of this business as consumer has the option of DTH, terrestrial transmission, the control over price and various other conditions are seen to be undemocratic. I humbly apologise if my comments are a little harsh, but then Sir, these are the true facts.

On the subject of boxes being interchangeable, that is the consumer can avail of different services by only changing the smart card is something positive towards consumer interest. The service will be like the mobile service where by changing the sim card. Only question is that the boxes use encryption based on the NDS system and other various as available in the market. These companies do not allow interchangeability to protect their own interest. I recommend that such companies should either change their policy or be banned from selling their products in India. I recommend that CDAC should be given the task to develop a encryption system and Indian manufactured boxes, maybe with the help of a reputed foreign company be seeded. As for the old boxes, either they be modified to use the indigenously developed encryption system that would be common for the whole country or then the boxes replaced. These corporate companies have made enough profits through various means to absorb this burden. While this transition takes place the Analogue signal should be revived.

I see that the various conditions imposed on the CATV business prevent a healthy competition to DTH and that is regressive from the consumer point of view. In fact it almost seems that the CATV business is getting restricted in its working and other services getting the advantage from this. So kindly see that when you mean healthy competition it should be in all fairness, and DTH and cable TV remain a healthy competition to each other and not just MSO to MSO.

The most important point is that we are not seeing any stand by TRAI to protect the interest of the LCO. Today if the LCO has to maintain the Digital line and also make a living, he should get at least Rs 100/- per costumer. TRAI has set conditions that force the small LCO to give up his business and literally hand over his business on a silver platter to the MSO. Here I would like to voice my absolute protest and request TRAI to review this matter and safe guard the interest of the LCO. I am sure if this issue is ignored we will see much litigation and petitioned filed and cable operators may resort to any kind of protest that could be regressive for the cable TV industry.

My other suggestion is that free to air channels be made available through Analogue system to benefit the poor of this country. This will also again promote a healthy competition within the pay-channels who are at present getting the chance to eat the cake and have it too. Their multiple income from subscription and advertisement for air time that is paid by the subscriber is likened to builder selling a flat to more than one buyer and getting the chance to pocket all the money with the help of the Government. This is also in the interest of consumers in small remote villages serviced by a cable operator and where no chance for a MSO to lay the cables. Here again TRAI again seems to promote DTH at the cost of consumer.

So kindly note that TRAI recommendation is absolutely not in favour of the common man. When you say that public opinion is taken it seems that the view point of the elite only has been considered. The truth is at ground level the poor were happy with that Analogue signal available for around Rs 100/-. The Government has to strongly implement the past existing laws to ensure proper collection of revenue. The pay-channels are already encrypted and they hold the key to whoever receives the signals. Hence they have the powers within themselves to protect their intellectual rights and interest.

I do hope my observations are taken seriously and considered.

Thanking you

Yours sincerely

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