

**Comments on the consultation paper No. 6/2008 on the issue relating to  
Restructuring of Cable TV Services.**

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**On careful examination of the said consultation paper the following are the  
comments made on the observation.**

#### **4.1**

Since most of the potential habitations in India are already covered under the cable TV facility new registration as cable operator has reached its all time low. In the said situation it is late to enact such regulation on eligibility criteria.

Further the present scenario in the industry is that “big fishes eat the small fishes” enabling mergers and takeovers of existing networks. While the eligibility criteria is welcomed, the authority should also focus on non-elimination of the present operators who are already in the fray. Instead a mandatory training programme can be organized in their local language to upgrade them.

Further the proposed change in the eligibility criteria should not de-sharpen the entrepreneurial skills of the desired applicants. A separate training institute with its branches in regional levels may be instituted with a curriculum consisting of the latest technological developments, enlightenment about various regulations, and customer oriented service.

Inter-alia the change in the present regulatory frame work on the eligibility criteria should not eliminate the present cable operators from their business.

## **4.2**

Yes, a comprehensive list of documents required to be submitted along with the application of registration be mentioned in the application form itself. However the said list should be a simple one.

Yes there is a need to make provisions for the appellate authority in case of refusal of registration and again a time frame should be introduced either to grant or reject the registration by the registering authority along with guidelines to the registering authority to act upon the application.

## **4.3**

Yes there is a need to streamline the registration process, data collection and monitoring to ensure better cable TV services to the customer.

A decentralized authority functioning at district level controlled by a centralized authority should be instituted. Such forum should have representatives from the consumers and preferably from VCO's (Voluntary Consumer Organizations) registered under the purview of "The consumer protections act-1986". The present system doesn't allow an individual consumer to prefer a complaint to TRAI or Hon'ble TDSAT. The district level authority should allow complaints from individuals.

The structure of the agency to monitor at district level shall follow the structure of consumer redressal forums.

#### **4.4**

The monitoring Agency as said above should ensure the QOS in accordance to the regulations and further should be empowered to issue show cause notices and finally recommend the authorized officer for suitable action. A centralized customer grievance cell or a centralized call centre shall be established in district level as a common platform for all cable operators in the district. The consumers can be directed to stall their complaints directly to the call centre which is turn would forward to the concerned operators and ensure that the grievance is addressed on time.

#### **4.5**

Even in the present situation there is no ban for any new entrants in a locality to provide cable service. However it is in experience that the competition precipitates to a single operator over a period of time or the competitive operators enter in to an arrangements to divide their own territories. With the present framework or any further regulation it is difficult to impose mandatory competition in a locality because of the industry's unique characteristics.

However the Regulatory body's effective implementation of regulations on QoS, fixation of tariff and etc on the ground would ensure the monopoly cable operator to play within corner stones.

#### **4.6**

There are certain special cases where the cable operator refuses to grand connection to an individual because of enmity and certain reasons. Further the disconnection of signals on the basis of influence from the local power centre is also taking place to take revenge on certain issues. This system of allowing the cable service at the discretion of cable operator would take away the right of the consumer, whereas the consumer doesn't have any effective redressal mechanism.

In case of a consumer having more than one TV connection in his home the operators demand multiple charges with respect to the number of TV sets where a dispute rises between them.

The authority shall keep the above situations in mind and sort out accordingly in its future regulations.

#### **4.7**

As the reporting system under the provision of section 10 of “Cable TV rules 1994” in form-6 has proved less effective, an alternate and effective reporting system should be enabled for better control. Such reporting should be in the district level and monitored by the central agency.

#### **4.8**

- IV. A separate question/column may be introduced by the government in its next census project as to determine the actual households in the locality with cable connection.  
Based on market surveys the regulatory shall frame a blanket subscriber base for different demographic regions as to Metro, Urban, Semi-urban and rural areas.  
The regulatory shall collect the details of number of family cards (ration cards) issued by the state government with respect to every locality and further do sampling on the usage of cable in such households and determine a yardstick of subscriber base.
- V. With the help of BIS the authority may formulate a Turn-key specification of Quality of network and only on such compliance the registration of the cable operator shall be renewed. Further the up gradation shall be in phased manner and duly certified by a technically qualified agency.
- VI. Since such ground based channels offered by MSOs and LCOs are done with minimum investment, bringing them into the present licensing regime would eradicate them. In which the consumer would lose the taste of their local flavour. Whereas the regulatory can obtain a declaration as to abide the programme code, advertisement code and such other guidelines and to ensure that such ground based channel promoters are ware of such codes and guidelines.

## **4.9**

Most of the MSOs are basically cable operators with their own subscriber base and in addition to it supply signals to other LCOs. However there are MSO's who operate in multiple districts and cities. There should be a regulatory frame work with respect to MSOs who operate in more than a district.

As the LCOs have no other choice in the given locality the MSOs often behave like dictators. The issue can be sorted out by early roll out of notification of HITS licensing.

The monitoring mechanism shall lie up with an agency at district level which shall also look into the interconnection regulation between MSOs and LCOs.

There shall not be any limitation in the number of MSOs in a city/state.

## **4.10**

As told earlier district level monitoring mechanism should be setup and a technically competent member should also be included to ensure QoS parameters are ensured in the ground.

## **4.11**

The cable operators presently have an apparent territorial boundary as their business operational limits. This has almost limited their natural expansion of business. Unless the cable operator serves a sub-urban locality which is fast growing otherwise his business growth in the number of subscriber base by and large have come to a stand still. Further when the established network is operational and yields a constant income the cable operator's focus in core cable business has become low.

A close study would reveal that the present network only needs efforts in maintenance and collection of monthly payments as their monthly routine. Most of the cable operators have established an additional business

and cable business is no more a cup of tea for them. Entry of DTH has further weakened their entrepreneurial spirits and given them a perception that they are in a dying business.

In the above said circumstances the cable operators would hesitate to pump in additional capital in to the business to upgrade the same. As a result the consumers don't get the benefit of the technological advancements and convergence.

This is an important issue where the regulatory can look into a detailed consultation paper with much more deeper analysis. An act should be enacted to upgrade with technical standards. While enacting such act the experience in the difficulties in rolling out CAS in metros should be considered and such presumed difficulties should be removed in the new regulation/act. The cable operators may be allowed to charge the consumers a nominal one time up gradation fees as recommended by the regulatory body.

#### **4.12**

The Standardization of encryption and SMS would surely help the industry to have the standards of service across the nation. This can be done with help of a competent agency like National Informatics Centre (NIC) and etc.

But there is a hazard in the present acceleration in technology. The time taken by regulatory/government to standardize would be large where by the technology used for standardization would go obsolete. Hence instead of standardizing the software the regulatory shall recommend certain parameter which should be mandatory in any proprietary software or encryption mechanism.

#### **4.13**

The revised regulatory regime is the need of the hour. In no case the implementation should go beyond 2 years. The bitter fact is that most of the cable operators are not aware of the time to time regulations of TRAI.

The first task would be to bring the cable operators in a closed circuit of a monitoring mechanism. Only after that the proposed change can be effected.

The Transition path shall be in 4 phases and each phase should be in a time frame of 6 months. A separate task force should be constituted at district, state and national levels to implement the transition. Intervention through courts should be presumed and the revised regulation shall be prepared accordingly.

The cable operator's Association should be made involved in the transition process and be a part of the task force.

MSOs should be encouraged to go in for digital head ends and roll out of voluntary CAS. Moreover the arms of CAS should go beyond metros and the roll out of CAS to other proposed cities should happen in war foot basis.

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