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Telecom Regulatory Authority of India

Consultation Paper on “Issues related to Implementation of Digital Addressable Cable TV Systems”

22nd December, 2011

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Preface

The Broadcasting Industry in India has witnessed a significant growth in the recent years. The number of TV households is nearly 150 million. While the DTH segment is registering a rapid growth in the last few years, a large part of the cable and satellite TV remains analog in nature. This has resulted in the full potential of the sector not being realised besides imposing certain stress on all the three segments viz. Broadcasters, MSOs and Cable Operators. It is also resulting in a substantial loss to the Government revenues. Keeping all these factors in view and in consultation with all the stakeholders, the Telecom Regulatory Authority of India had in August, 2010, recommended to the Government complete digitalisation with addressability by December 2013, in a phased manner. The Authority is happy to note that its efforts have borne fruit, that the Government have accepted the Recommendations and have issued an Ordinance in October, 2011 and a Notification in November, 2011 for complete digitalisation with addressability in a phased manner and to be completed by December, 2014. Parliament has also passed the Bill to amend the Cable TV Act paving the way for the digitalisation programme.

The smooth transition from non-addressable cable TV system to Digital Addressable system would involve various measures. Stakeholders have indicated to the Authority that certain issues need to be determined. Industry Associations - CII and FICCI have also organised meetings in which these issues were discussed. Meetings were also held by TRAI with various stakeholders and different issues for determination identified. This consultation paper brings out all these issues. The full text of the consultation paper is also available on TRAI website - www.trai.gov.in.

In line with established practice, all stakeholders are requested to benefit the Authority with their valuable comments by 16th January 2012. Counter comments, if any, on the comments received may be sent by 23rd January 2012. The comments and counter comments received would be posted on the TRAI website. For any clarification/information, Shri Wasi Ahmad, Advisor (B&CS), TRAI may be contacted at Telephone No. +91-11-23237922, Fax No. +91-11-23220442 or email at advbcs@traigov.in

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CONTENTS

Chapter	Title	Page No.
	<i>Introduction</i>	4
Chapter I	Basic Service Tier for the Digital Addressable Cable TV Systems	7
Chapter II	Retail Tariff for the Digital Addressable Cable TV Systems	15
Chapter III	Interconnection in the Digital Addressable Cable TV Systems	18
Chapter IV	Quality of Service Standards for the Digital Addressable Cable TV System	32
Chapter V	Miscellaneous Issues	38
Chapter VI	Issues for Consultation	42
	Glossary	46
 Annexures		
<i>Annexure I</i>	The Cable Television Networks (Regulation) Amendment Ordinance, 2011	48
<i>Annexure II</i>	Notification issued by Ministry of Information and Broadcasting, dated 11 th Nov. 2011.	57
<i>Annexure III</i>	Charges payable by an ordinary cable subscriber in the non-CAS areas. (As per extant Regulatory provisions)	61
<i>Annexure IV</i>	Charges payable by an ordinary cable subscriber in the non-CAS areas. (As per the draft Tariff Order, contained in the Report submitted to the Hon'ble Supreme Court, dated 21st July 2010).	65
<i>Annexure V</i>	Schedule III of the Telecommunications (Broadcasting and Cable Services) Interconnection (fifth Amendment) Regulation, 2009 dated 17th March 2009.	67
<i>Annexure VI</i>	Proposed norms for the Quality of Service and redressal of consumer grievance regulations for digital addressable cable TV systems.	78

Introduction

- (i) The Indian cable TV industry is 28 years old. The cable television came into existence in 1983 when Doordarshan started its services through cable in rural areas of Rajasthan. At the commercial level, in 1989 few entrepreneurs had setup small cable TV networks with local video channels showing movies and music videos after obtaining rights from film and music distributors. Spurred by major international events, first major break in cable TV came in 1991, when coverage of Gulf War was telecast live in India by international news channels. After 1992, the proliferation of cable television was further fuelled with the broadcast of localized programming by various television channels.
- (ii) In the initial few years, all the channels were Free-to Air (FTA). In 1994, some of the foreign broadcasters began encrypting their channels even though they were FTA, making it imperative for a cable operator to obtain permission from the broadcaster for getting access of the FTA channel and relay it to his customers using an Integrated Receiver Decoder (IRD). The first pay channel was introduced in India in the year 1995. The major difference between the growth of pay TV in India and abroad is that the broadcasters abroad encrypted their channels right from 1994 even when they were FTA and thus had no difficulty in switching over to pay TV regime when market conditions enabled them to do so.
- (iii) The number of TV households in India is estimated to be around 147 million. The cable industry has grown from 0.4 million cable homes in January 1992 to an estimated 94 million cable TV homes in 2011. Furthermore, there were around 20 pay channels in 1995, whereas today there are more than 800 channels registered with Ministry of Information & Broadcasting out of which around 160 are pay channels. Thus, there are a large number of channels which are transmitted as FTA channels.
- (iv) The exceptional growth of the number of TV channels (both FTA and Pay) combined with the inherent limitations of the analog cable TV systems has posed several challenges in the cable TV sector, mainly due to capacity constraints and non-addressable nature of the network. With time and evolution of technology, new addressable digital TV platforms like DTH, IPTV etc. were introduced to the masses. The evolution of technology also paved way for bringing about digitization with addressability in the cable TV sector. Accordingly, after studying the subject at length and undertaking a public consultation process, the Authority, on 5th August 2010,

gave its recommendations on implementation of Digital Addressable Cable TV Systems (DAS) across the country along with a roadmap to achieve the same. The digitization of cable TV is a step forward towards the removal of the shortcomings of the analog cable TV systems like the non-addressability and the capacity constraints. In the digital addressable systems, service providers can offer more channels and consumers can select the channels of their choice. Also, the digital addressable system opens out additional business opportunities to the service providers in the form of value added and interactive services. It would enable provision of broadband and triple play (voice, video and data) services through the network to the masses.

- (v) The Government, on 25th Oct 2011, has issued an Ordinance (Annexure I), amending the Cable Television Networks (Regulation) Act, 1995, enabling the implementation of digital addressable cable TV systems in India. Thereafter, the Government notification dated 11th November, 2011, has laid down the roadmap for implementation, in a phased manner, from June 2012 to Dec 2014(Annexure II). Subsequently, Parliament has also passed the bill to amend the Cable TV Act.
- (vi) The TRAI set out to identify the issues that need to be addressed for smooth transition from a non-addressable cable TV system to digitized addressable cable TV system. In this endeavor, the Authority also held meetings with the representatives of CII, FICCI and the associations of broadcasters (NBA and IBF), MSOs (MSO's alliance) and cable operators (COFI). Accordingly, the following issues have been identified for consultation with all the stakeholders:

Issues relating to Tariff

- a) Composition of Basic Service Tier (BST).
- b) Tariff for BST.
- c) Retail Tariff.

Issues relating to Interconnection

- a) Determination of Revenue share between MSO and LCO.
- b) Determination of Revenue share for BST.
- c) Prescription of Standard Interconnection Agreements (SIA) for DAS
- d) Must carry provisions.
- e) Audit of `subscriber base' by MSOs and Broadcasters, on half yearly basis.
- f) Regulation for carriage fees.

Issues related to Quality of service

- a) Billing to be done by MSO.
- b) Introduction of pre paid billing.
- c) Clear demarcation of responsibilities for QoS.

Other issues

- a) Broadcasting of Advertisement free channels
 - b) Issue of non addressable digital STBs.
 - c) Reference point for wholesale rate for channels post DAS implementation.
- (vii) This consultation paper intends to bring out all these relevant issues identified in para (vi) above for consultation with stakeholders. Chapter-I discusses the issues related to the basic service tier (BST). Chapter II deliberates on the issues linked to the retail tariff. In the chapter III, the issues relating to interconnection matters have been discussed. The QoS related issues have been dealt with in the chapter IV. The remaining issues are discussed in chapter V. Issues for consultation have been compiled in Chapter VI.

Chapter-I

Basic Service Tier for the Digital Addressable Cable TV Systems

- 1.1 This chapter initially discusses the concept of Basic Service Tier (BST), extant provisions relating to its composition and tariff in various platforms such as notified CAS areas, non-CAS areas and DTH. Subsequently, the concept of BST, as provided in the Cable Act as amended through the Ordinance dated 25th Oct 2011, is discussed. It also deliberates upon the various issues related to determination of the composition and tariff for the BST.

Concept and extant provisions relating to BST

Notified CAS areas

- 1.2 The BST was first defined in Section 4A of the Cable Television Networks (Regulation) Act, 1995, as amended from time to time, as under:

“basic service tier” means a package of free to air channels provided by the cable operator, for a single price to the subscribers of the area in which his cable television network is providing service and such channels are receivable for viewing by the subscribers on the receiver set of a type existing immediately before the commencement of the Cable Television Networks (Regulation) Amendment Act, 2002 without any addressable system attached to such receiver set in any manner.

- 1.3 Section 4A of the Cable Television Networks (Regulation) Act, 1995 further provided that the Central Government may specify one or more free-to-air channels to be included in the package of channels forming basic service tier and any or more such channels may be specified, in the notification, *genre-wise* for providing a programme mix of entertainment, information, education and such other programmes. It also provided that the Central Government, may specify different numbers of channels for different States, cities, towns or areas, as the case may be, may specify the maximum amount which a cable operator may demand from the subscriber for receiving the programmes transmitted in the basic service tier provided by such cable operator and may also specify different maximum amount for different States, cities, towns or areas, as the case may be.

- 1.4 Government of India, in the Ministry of Information and Broadcasting Notification No. S.O. 503(E) dated 7th May 2003, for the Conditional Access System (CAS) area, specified that a minimum thirty FTA channels are to be included in the package of channels forming BST which the cable operator of the CAS area need to supply to all the consumers of his cable network within the notified CAS area. The areas notified as CAS areas are whole of Chennai, and parts of Mumbai, Kolkata and Delhi.
- 1.5 As per the said notification, the BST must include a mix of channels belonging to the genres of entertainment, news, sports, children's programmes and music in English, Hindi and the regional language, depending upon the availability of such channels in the notified CAS areas. The BST must also include the channels¹, notified for mandatory transmission, under Section 8 of the Cable Television Networks (Regulation) Act, 1995.
- 1.6 Further, the Central Government specified a maximum amount of Rs. 72 (excluding taxes) which a cable operator in the afore-mentioned areas may demand from a subscriber for receiving the programmes transmitted in the BST provided by such cable operator. It was also provided that FTA channels, over and above the BST, would also be available to the subscribers within the mentioned maximum amount. For arriving at the figure of Rs. 72/- for the BST, the Cost Accounts Branch, Ministry of Finance carried out an exercise for working out economic cost of delivery of channels in the cable network.
- 1.7 The Cable Television Networks Rules, 1994, as amended from time to time, provides, apart from others, that the Authority may take appropriate decision on the tariff for the basic service tier alongwith the minimum number of FTA channels to be provided by the multi system operators/cable operators to the subscribers in the CAS notified areas. The Authority, vide the Telecommunication (Broadcasting and Cable) Services Tariff Order, 2006 dated 31st Aug 2006, prescribed Rs 77/- (maximum) for the BST. Thereafter, based on the movement of wholesale price index maintained by Economic Advisor, an Attached Office under the Ministry of Commerce and Industry, an inflation linked adjustment of 7% in the charges for cable TV services in the non-CAS areas was provided with effect from 1st January, 2009 by the TRAI's Telecommunication (Broadcasting and Cable) Services (Second)

¹ The mandatory channels, as on date, consist of two Doordarshan terrestrial channels and one regional language channel of the state in which the network of the cable operator is located and five other channels viz. DD-Sports, Loksabha, Rajyasabha, Gyandarshan and DD-Urdu are also mandated to be carried.

Tariff (Ninth Amendment) Order, 2008 dated 26th December, 2008. For maintaining a harmonious growth of the cable TV sector in both CAS and Non-CAS areas, it was felt appropriate that a similar adjustment of 7% in the ceilings on charges for the basic service tier as well as prices of pay channels should also be provided for the CAS notified areas also. Accordingly, the ceilings on charges for the basic service tier was increased from Rs. 77/-to Rs. 82/-(excluding taxes).

Non-CAS areas

- 1.8 As per the TRAI's tariff order dated 1st Oct 2004, as amended from time to time, applicable to the cable TV systems in the non-CAS areas, if the operator provides only FTA channels then it should be provided to the consumer at a maximum of Rs. 82/- per subscriber per month (excluding Tax) for minimum 30 FTA channels. However, there is no mechanism to separate out FTA channel pricing at the retail level if the pay as well as FTA channels are bundled and offered to the consumers. Details of the retail tariff applicable to the non-CAS areas are at Annexure - III. The tariff order, however, prescribes ceilings of subscription rates for the bundled packages, based on a minimum 30 FTA channels mandatorily included in it. Further, retail tariff regulation provides these ceilings based on number of pay channels provided to the subscriber and the category of habitation of the subscriber. Any FTA channel, over and above the mandatory minimum limit of 30 channels in each slab is to be offered to the consumer without any additional charge.
- 1.9 As a consequence of an appeal filed by TRAI in the Hon'ble Supreme Court, a comprehensive report on tariff issues concerning the non-CAS areas, including a draft tariff order for non-CAS areas, has been submitted to the Hon'ble Supreme Court on 21st July 2010. In this draft tariff order three uniform ceilings for the bundled offerings, across the country, have been prescribed wherein a minimum 30 FTA channels are to be mandatorily included. The ceiling of the rate has been kept at Rs. 100/- for a minimum 30 FTA channels, if the operator offers only FTA channels to the consumers. Details of the retail tariff applicable to the non-CAS areas as per the draft tariff order annexed to the report submitted to the Hon'ble Supreme Court is at Annexure - IV. Any FTA channel, over and above the mandatory minimum limit of 30 channels in each slab is to be offered to the consumer without any additional charge.

DTH services

- 1.10 There is no scheme of BST in the DTH services. The tariff order dated 21st July 2010, applicable for all digital addressable platforms including the DTH services, provides that it shall be open to the service provider to specify a minimum monthly subscription, not exceeding one hundred and fifty rupees (exclusive of taxes) per month per subscriber, towards channels chosen by the subscriber, either a-la-carte or bouquet, for availing the services of such service provider. The channels/bouquets so chosen within this minimum monthly subscription may include FTA or pay or a mix of the two.

Concept, composition and tariff determination of BST in the DAS areas

- 1.11 The Central Government has, on 11th Nov. 2011 vide notification no. SO. 2534 (E), notified that it shall be obligatory for every cable operator to transmit or re-transmit programmes of any channel in an encrypted form through a digital addressable system in such city, town or area as specified in the said notification with effect from the following dates (Annexure II):

Phase I - 30th June 2012: National Capital Territory of Delhi, Municipal Council of Greater Mumbai area, Kolkata Metropolitan area and Chennai Metropolitan area ;

Phase II - 31st March 2013: 38 Cities with a population of more than one million;

Phase III - 30th September 2014: All other urban areas (Municipal Corp./ Municipalities) except cities/ towns/ areas specified for the corresponding Phase -I and Phase-II above, and

Phase IV- 31st December 2014: Rest of India.

- 1.12 In the Ordinance promulgated by the Government, it has been mandated that the operators of addressable platforms shall offer a BST of FTA channels. The sub-section 4A.(3) of the Cable Television Networks (Regulation) Act, 1995, as amended by the Cable Television Networks(Regulation) Amendment Ordinance, 2011, provides the following:

“4A.(3) If the central government is satisfied that it is necessary in the public interest so to do, and if not otherwise specified by the Authority, it may direct the Authority to specify, by notification in the Official Gazette, one or more free-to-air channels² to be included in the package of channels forming basic service tier and any or more such channels may be specified in the notification, genre-wise for providing a programme mix of entertainment, information, education and such other programmes and fix the tariff for basic service tier which shall be offered by the cable operators to the consumers and the consumer shall have the option to subscribe to any such tier.

Provided that the cable operator shall also offer the channels in the basic service tier on a-la-carte basis to the subscriber at a tariff specified under this sub-section.”

The Basic Service Tier (BST) has now been defined as:

“basic service tier” means a package of free-to-air channels to be offered by a cable operator to a subscriber with an option to subscribe, for a single price to subscribers of the areas in which his cable television network is providing service,;

Further, Section 4A .(4) provides that:

“4A.(4) The Central Government or the Authority may specify in the notification referred to in sub-section (3), the number of free-to-air channels to be included in the package of channels forming basic service tier for the purposes of that sub-section and different numbers may be specified for different States, cities, towns or areas, as the case may be.”

- 1.13 In accordance with the provisions of the said Ordinance and the notification, , the operators of all the digital addressable cable TV systems are required to carry the channels, both FTA and pay, in the digital form and the consumers will be required to use STBs to receive any of these channels, based on their subscription scheme. All such operators are now mandated to offer a BST consisting of FTA channels, for which the composition and tariff are to be fixed by TRAI. The FTA channels offered in the BST shall also have to be offered by the operator in a-la-carte form, at a tariff to be fixed by TRAI. However, it shall be optional for the consumers to subscribe to this BST. So, in case only some channels in the BST are of interest to the consumer, these channels can be taken on a-la-carte basis by the consumer instead of subscribing to the full BST.

² As per the Cable Television Networks (Regulation) Amendment Ordinance, 2011, a “free-to-air channel”, in respect of a cable television network means a channel, for which no subscription fee is to be paid by the cable operator to the broadcaster for its re-transmission on cable.

- 1.14 Since, subscription of BST is optional for the consumer, the carriage of 'must carry' channels, as specified under section 8 of the Cable Act, shall not form part of the BST but shall have to be mandatorily supplied by the cable operator to all the consumers of his cable TV network.
- 1.15 Earlier, on 21st July, 2010, TRAI came out with a tariff Order for all the addressable TV systems which include DTH, HITS, IPTV and digital addressable Cable TV systems. The tariff order provides that the operators of addressable platforms shall offer all the pay channels carried on their network on a-la-carte basis to the consumers and in addition, optionally, they may also offer them as bouquet of channels. The retail tariff has been kept under forbearance, however, it provides that it shall be open to the service providers to specify a minimum monthly subscription not exceeding Rs. 150/- per month towards channels chosen by the subscribers either a-la-carte or bouquet. The said tariff order does not prescribe any BST of FTA channels. The operators have the flexibility to offer the FTA channels in a-la-carte form, as a part of FTA channel bouquet or as a part of a bouquet comprising of FTA and pay channels.
- 1.16 Although the FTA channels are non-subscription based channels, the cable operators may charge their subscribers in view of the re-transmission cost for providing FTA channels. As per the periodical reports submitted to the Authority by operators' of notified CAS areas, 51-80 FTA channels are being offered as BST to the consumers in the analog mode within the maximum amount of Rs. 82/- (excluding taxes) per month per subscriber whereas in the DTH sector, different DTH operators are offering different monthly packs, ranging from Rs. 90 per month per subscriber for 132 channels pack to Rs. 150 per month per subscriber for 186 channels pack. Notably, these packs also include a sizable number of pay channels.
- 1.17 The area of operation of a cable operator is localized and it would be in the interest of the consumers as well as the operators that the channels included in the BST are chosen to reflect the choice of the consumers. The sub-section (3) of Section 4A of the Cable Television Networks (Regulation) Amendment Ordinance, 2011, as reproduced at para 1.12 above, similar to the provisions made for the notified CAS areas, provides that the *genre-wise* composition should have programme mix of entertainment, information, education and such other programmes. Further, it

provides that the tariff of the basic service tier, both as a bouquet as well as that of its component channels, may be fixed by the Authority.

- 1.18 Although the channel rates at the retail level, as per the TRAI's tariff order dated 21st July 2010, are under forbearance, however, the Ordinance provides that the tariff for the BST in the digital addressable cable TV systems may be determined by the Authority in public interest. The channels within the BST are to be FTA channels. Presently, DTH operators are also providing the FTA channels on a-la-carte basis. The a-la-carte rates, as prescribed by the DTH operators for FTA channels, vary between Rs 0 to Rs 15. However, majority of these FTA channels have been priced between Rs. 0 to Rs. 5, some are priced between Rs. 5 to Rs. 10 and only a few are priced more than Rs. 10 per subscriber per month. It has also been seen that there is almost uniformity in the a-la-carte channel rates of the FTA channels offered by any particular DTH operator. For example, one DTH operator is offering majority of its FTA channels on a-la-carte rate of Rs. 3, another DTH operator is providing the FTA channels on a-la-carte basis at a uniform rate of Rs. 5. The number of FTA channels offered by the majority of the DTH operators on a-la-carte basis varies from 50 to 80 apart from DD channels.
- 1.19 The two aspects in the composition of BST are the minimum number of FTA channels that should form the BST and the genre wise distribution of these channels to provide a programme mix of entertainment, information, education etc.
- 1.20 In the extant provisions regarding the minimum number of FTA channels in the BST, provision has been made for a minimum 30 FTA channels due to paucity of available carriage capacity. In the DAS areas, however, the carriage capacity is very high. Therefore there could be a view that the minimum number of FTA comprising the BST should be increased in order to take advantage of the technological advancement and to cater to diverse consumer choices. However, there could be a counter view for prescribing a high 'minimum number of FTA channels' in the BST. Increasing this minimum number, would have cost implications which may defeat the very purpose of the BST. Also, the competition in the market may force the operator to offer substantial number of FTA channels in their BST.

- 1.21 Regarding the genre wise composition of channels in the BST, ideally it should cater to the requirements of the local consumer. However, this requirement would widely vary in a vast country like India, with diverse culture. In CAS areas with similar disposition, there is no prescription regarding the genre wise distribution of channels forming the BST. One view could be to follow a similar approach in the case of BST for DAS areas, i.e. not to prescribe genre wise distribution of channels forming the BST.
- 1.22 As far as the retail a-la-carte rates of the FTA channels, forming part of the BST, is concerned, one of the view could be that the operators of addressable platform should recover only the re-transmission cost from the consumers and so all the channels forming part of BST may be priced equally. However, there could be another view to prescribe a linkage between the average a-la-carte rate to the maximum a-la-carte rate for an FTA channel in the BST. In such a case, the average a-la-carte rate may be determined with respect to the prescribed minimum number of FTA channel in BST.
- 1.23 A propos the above, the issues for consultation are:
- i. **What should be the minimum number of free-to-air (FTA) channels that a cable operator should offer in the basic-service-tier (BST)? Should this number be different for different states, cities, towns or areas of the country? If so, what should be the number and criteria for determination of the same?**
 - ii. **In the composition of BST, what should be the genre-wise (entertainment, information, education etc.) mix of channels? Should the mix of channels and/or the composition of BST be different for different states, cities, towns? If so, how should it be?**
 - iii. **What should be the price of BST? Should this price be different for different states, cities, towns or areas of the country? If so, what should be the price and criteria for determination of the same?**
 - iv. **What should be a-la-carte rate of channels that form part of BST? Should there be a linkage between a-la-carte rate of channels in the BST to the BST price or average price of a channel in the BST? If so, what should be the linkage and why?**

Chapter-II

Retail Tariff for the Digital Addressable Cable TV Systems

- 2.1 The tariff order of TRAI dated 21st July 2010, which is applicable to all the digital addressable platforms including the digital addressable cable TV systems, prescribes manner of offering pay channels by broadcasters to distributors of TV channels using digital addressable systems for distribution of TV channels. According to the said tariff order, the broadcasters are mandated to offer their pay channels in a-la-carte form and optionally, they can also offer bouquets to the operators of the addressable systems. The rates of the channels (or optional bouquets) shall not to be more than 42%³ of the a-la-carte rate (or optional bouquet rate) of channels as specified by the broadcaster for non-addressable systems. Further, the optional bouquets, if offered, shall have the same composition as that offered by the broadcaster in the non-addressable systems. The operators of the addressable systems offer the pay channels to the consumers in a-la-carte form as well as in the form of packages consisting of channels and/or bouquets of channels obtained from various broadcasters. At the retail level, the tariff order of TRAI dated 21st July 2010, prescribes forbearance i.e. the operators of the addressable platforms are free to fix charges for the services offered by them as determined by the market forces.
- 2.2 Accordingly, for the DTH the retail tariff is under forbearance. The DTH operators are mandated to offer all pay channels on a-la-carte basis. They are free to offer the pay channels as part of bouquets. The Tariff order applicable for DTH further provides that it shall be open to the service providers to specify a minimum monthly subscription not exceeding Rs. 150/- per month towards channels chosen by the subscribers either a-la-carte or bouquet. The DTH operators are offering different monthly packs from Rs. 90 per month per subscriber for 132 channels pack to Rs. 150 per month per subscriber for 186 channels pack.
- 2.3 Tariff for cable TV services in non-CAS areas is governed by the TRAI's tariff order dated 1st Oct 2004, amended from time to time. As per this tariff order the tariff is regulated, both at wholesale as well as retail level. The wholesale tariff rates have been frozen (As on 1st December 2007) based on historical pricing. Retail tariff

³ In the tariff order dated 21st July 2010, it is mentioned as 35%. However, the Hon'ble Supreme Court, vide its interim orders dated 18.4.2011, has substituted the figure of 42% in place of 35%.

regulation provides upper ceilings based on number of channels provided to the subscriber and the category of habitation of the subscriber. If the operator provides only FTA channels then it should be provided to the consumer at a maximum of Rs. 82/- per subscriber per month (excluding Tax) for minimum 30 FTA channels. However, there is no mechanism to separate out FTA channel pricing at the retail level if the pay as well as FTA channels are bundled and offered to the consumers. Details of the retail tariff applicable to the non-CAS areas are at Annexure – III.

- 2.4 Tariffs for cable TV services in the notified CAS areas are governed by TRAI's tariff order dated 31st Aug. 2006, as amended from time to time. It provides that FTA channels are to be offered to the consumers in the form of BST at a maximum rate of Rs. 82/- per subscriber per month (excluding Tax) for a minimum of 30 FTA channels. FTA channels, over and above the BST, if provided by the operator, would also be available to the subscribers within the mentioned maximum amount. As far as the pay channels are concerned, such channels are to be mandatorily offered in the a-la-carte form with a ceiling of Rs. 5.35/- (maximum retail price excluding taxes) per channel per subscriber per month. In addition to the a-la-carte offer, pay channels can also be offered in the form of bouquets. The business model for the pay channels has been prescribed on a revenue share basis in the ratio of 45:30:25 for broadcaster, MSO and LCO respectively.
- 2.5 The cable TV services in the non-CAS as well as in the notified CAS areas are to be converted/changed to the digital addressable Cable TV services as per the timelines prescribed in the Government notification dated 11th Nov. 2011. Earlier, apart from other issues that have direct impact on the TV subscribers as well as the operators, fixation of retail tariff was raised in the consultation process before issuing the TRAI's tariff order dated 21st July 2010. In response to the consultation issue on retail tariff, the service providers generally expressed the view that the retail tariff should be under forbearance. The consumer groups, however, were in favour of some regulation at the retail level. Even, before the said tariff order was issued, the retail tariff in the DTH sector, which is the dominant addressable platform, was under forbearance. Observing that the retail tariffs prevailing in the market were quite competitive and the market forces appeared to be operating effectively, the Authority decided to keep the retail tariff under forbearance.
- 2.6 Presently, DTH and IPTV are digital addressable TV distribution platforms in operation wherein the only entity between the broadcaster and consumer is DTH /IPTV operator. However, in case of digital addressable cable TV systems, there could

be two entities – MSO and LCO. Some of the stakeholders have expressed an apprehension that prescribing forbearance at the retail level, would be against the interest of the operators as well as that of the consumers.

2.7 One of the views on pricing could be to have a flat maximum retail price for the FTA channels and retail price of pay channels to have a ceiling which is a multiple of the whole sale price. The price for FTA channel and the multiplication factor would depend upon the cost of carriage and delivery of the channels. Another contrary view could be to leave it to the market forces as there is enough competition. Also that since the tariff of BST is fixed, the retail price of remaining channels could be left to be decided by the market.

2.8 **A propos the above the issues for consultation are :**

Should the retail tariff be determined by TRAI or left to the market forces? If it is to be determined by TRAI, how should it be determined?

- (a) Should the a-la-carte channel price at the retail be linked to its wholesale price? If yes, what should be the relation between the two prices and the rationale for the same?**
- (b) Should there be a common ceiling across all genres for the pay channels or different ceilings for different genres? What should be the ceilings in each case and the reasons thereof?**
- (c) Should there be a common ceiling across all genres for the FTA channels or different ceilings for different genres? What should be the ceilings in each case and the reasons thereof?**
- (d) Any other method you may like to suggest?**

Chapter III

Interconnection in the Digital Addressable Cable TV Systems

- 3.1 The TRAI Act, 1997, entrusts the Authority, amongst others, the function to ensure technical compatibility and effective interconnection between different service providers, fix the terms and conditions of interconnectivity as well as regulate arrangement amongst service providers of sharing their revenue derived from providing telecommunication services. TRAI, in its regulation "The Register of Interconnect Agreements (Broadcasting and Cable Services) Regulation 2004", defines interconnection as the technical arrangements under which service providers connect, including through electromagnetic signals, their equipment, networks and services to enable their customers to have access to the customers, services and/or networks of other service providers. Under the same regulation interconnection agreement has been defined as the agreements on interconnection including standard affiliation agreements/service contract, MOU and all its grammatical variations and cognate expressions providing, inter alia, also the commercial terms and conditions of business between the parties to the agreement.
- 3.2 The distribution of cable TV in India was unregulated since its inception in early 1990s. This was sought to be regulated by TRAI by issuing the Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004 (13 of 2004). This regulation was issued on 10.12.2004. From time to time, need arose to clarify as well as to expand the scope of Interconnect Regulations so as to minimize the doubts and disputes/ litigation. So far six amendments have been carried out in the Interconnection Regulation, 2004. At present, after the various amendments, the basic features of the interconnection regulation encompass the provisions for interconnect agreement for providing signals of a TV channel on non-discriminatory terms to all distributors of TV channels, the procedure for disconnection of signals of TV channel, the revenue share amongst the service providers operating in CAS notified areas and also a provision for Standard Interconnect Agreement (SIA) for these notified areas, the provisions for making Reference Interconnect Offer (RIO) by the broadcasters for non-CAS areas as well as for addressable systems other than CAS, the provisions for renewal of Interconnect Agreement and the procedure for ascertaining the subscriber base for non-CAS areas.

3.3 One of the key features incorporated vide the above mentioned amendments in the interconnection regulations was introduction of mandatory declaration of Reference Interconnection Offers (RIOs) by the broadcasters for both addressable and non-addressable cable and satellite TV distribution systems. RIO of a broadcaster provides the technical and commercial terms and conditions at which the broadcaster offers its channels/bouquets to various operators of cable and satellite TV distribution systems on non-discriminatory basis and thus provides a reference to the broadcasters and the operators for arriving at an agreement for interconnection. The technical and commercial terms and conditions that should necessarily form part of the RIOs for the addressable platforms have been prescribed in the Schedule III of “The Telecommunications (Broadcasting and Cable Services) Interconnect (Fifth amendment) Regulation 2009” dated 17th March 2009 (Annexure V). These terms and conditions include the calculation of license fee, payment terms, delivery and Security terms, Anti-piracy terms, norms for reporting and Audit, term of the contract, termination conditions and jurisdiction in respect of any dispute between the parties. These are applicable for digital addressable cable TV systems also.

3.4 A propos the above, the issue for consultation is:

Does any of the existing clauses of the Interconnection Regulations require modifications? If so, please mention the same with appropriate reasoning?

Revenue sharing between the MSO and LCO

3.5 In the non-CAS areas, the broadcaster charges the MSO, for channels and/or bouquets, based on the subscriber-base (being a non-addressable platform, it is in fact a negotiated figure) and the wholesale rate of the pay channels (and/or bouquets of pay channels or bouquets of pay and FTA channels). The wholesale rates are governed by the “Telecommunications (Broadcasting and Cable) Services (Second) Tariff Order 2004”, dated 1st Oct 2004, as amended from time to time. No arrangement has been prescribed by TRAI for the subscription revenue share between the MSO and LCO; it is based on mutual negotiations.

3.6 In the notified CAS areas, business model based on subscription revenue share between the service providers has been prescribed by TRAI. Subscription fee paid by subscriber in CAS areas has two components. First component of the subscription fee

is the tariff for basic service tier and the second is the tariff for subscribed pay channels. Telecommunication (Broadcasting and Cable Services) Interconnection (Second Amendment) Regulation, 2006 (9 of 2006) dated August 24, 2006 provides for revenue share arrangements amongst service providers in the notified CAS areas. The subscription revenue from pay channels is shared in the ratio of 45:30:25 in respect of broadcaster, MSO and cable operator. Authority, while prescribing the revenue share model, had considered different proposals of the service providers and also the practice in Chennai. The share of the broadcasters in Chennai was varying from 42.5% to 65% for pay channels. There was no standard formulation of the share between the multi system operators (MSOs) and the cable operators. In contrast with Chennai, the markets in Delhi, Mumbai and Kolkata were expected to have a much higher penetration of set top boxes. Accordingly, the share of the broadcasters for pay channels was kept at 45% which is in the lower range of the Chennai experience. Sharing of the basic service tier between the cable operators and the multi system operators (MSOs) could have lead to frequent disputes since there was no transparent way of knowing the total subscriber base for subscribers who do not buy the set top boxes. Similarly, there could have been disputes on the total carriage charges, the method of apportioning this amount to the areas notified for CAS, apart from the principles for sharing. Accordingly, it was decided to allow for no revenue sharing for both these components, i.e., basic service tier charges and the carriage charges. On this principle, the share for multi system operators (MSOs) in the pay channels was kept higher than the share of the cable operators and, therefore, this was kept at 30% for the multi system operators (MSOs) and 25% for the cable operators. However, freedom has been given to the service providers to enter into interconnection agreements that may provide a different revenue sharing arrangement.

- 3.7 The Regulation provided that the revenue from the basic service tier will be kept entirely by the cable operator and the carriage fee if any will be kept by MSO. However, Hon'ble TDSAT vide its judgment dated 12th May 2009 in Appeal NO.11(C) of 2006 has struck down this clause. Therefore, at present the revenue generated from the basic service tier may be shared between MSO and LCO on mutually agreed terms.
- 3.8 Now, with the notification of the Telecommunications (Broadcasting and Cable) Services (Fourth)(Addressable Systems) Tariff Order, 2010 dated 21st July 2010, the broadcaster charges the operator of addressable platform, based on the monthly

average subscriber level⁴ (being an addressable platform, it is a verifiable figure) and the wholesale rate of the pay channels (and/or bouquets of pay channels or bouquets of pay and FTA channels as being offered by the broadcasters in the non-CAS areas). TRAI tariff order dated 21st July 2010, prescribes that the charges payable by cable operator to MSO or HITS operator are to be governed by mutual agreement between them. As far as DTH services are concerned, there is no intermediary between the DTH operator and the consumer and so the issue of revenue share does not arise.

- 3.9 On the issue of revenue share between the MSOs and LCOs in the DAS areas, the MSOs have, in the meeting held with the Authority, mentioned that the Authority should define the revenue share in order to protect level playing field interests of the large cable community. The MSOs have further submitted that revenue share for the basic service tier amount should also be clearly apportioned between the LCO and MSO.
- 3.10 In the DAS regime, all the channels are to be carried in the digital and encrypted form which would be delivered through the MSO network as against the CAS scenario where the FTA channels in form of BST are carried directly by the LCO network bypassing the MSO network. In Digital Addressable Cable TV systems, the subscriber management system (SMS) would be maintained by the MSO, so the generation of consolidated bill to the consumer will also be through the MSO. Thus, as far as the revenue share is concerned, there could be a view that the subscription revenues should be apportioned between the MSO and LCO directly in proportion of the overall costs of carrying the channels in their respective networks.
- 3.11 Another view could be that the MSO and LCO should share the subscription revenue in the same proportion in which the subscription revenue of pay channels is being shared in the CAS regime. This ratio is currently 30:25 (MSO: LCO) of the 55%⁵ of the pay channel subscription revenue which comes out to be equivalent to around 55:45 (MSO: LCO).

⁴ The "Monthly Average Subscriber Level" is equal to the sum of the number of subscribers on the first and the last day of the month in question divided by two.

⁵ In the CAS regime the broadcasters' share is 45% of the pay channel subscription revenue and rest 55% is shared between the MSOs and LCOs. However, in the DAS regime, entire subscription revenue would be shared by the MSOs and LCOs whereas the broadcasters would charge the MSOs for their channels/bouquets as per the wholesale tariff prescribed in the TRAI's tariff order dated 21st July 2010.

3.12 As regards revenue share for the pay channels and the BST are concerned, one possible argument could be that since the mode of delivery of the pay and BST channels are identical, the revenue share for these two should also be identical.

3.13 A propos the above, the issues for consultation are

- i. Should the subscription revenue share between the MSO and LCO be determined by TRAI or should it be left to the negotiations between the two?**
- ii. If it is to be prescribed by TRAI, what should be the revenue share? Should it be same for BST and rest of the offerings?**

Provision for 'Must Carry'

3.14 Distributors in the broadcasting and cable TV sector take content from the broadcasters and deliver it to the consumers. The content (TV channel) is required to be obtained through written agreements between the broadcaster and the distributor be it a DTH operator, HITS operator, IPTV operator, MSO or ICO. These agreements are known as interconnection agreements. TRAI, vide clause 3.2 of The Telecommunication (Broadcasting and Cable Services) Interconnection Regulation 2004" dated 10.12.2004, has mandated that every broadcaster shall provide, on request, its channels on non-discriminatory terms to all distributors of TV channels. The clause 3.2 , inter alia, states:

"3.2 Every broadcaster shall provide on request signals of its TV channels on non-discriminatory terms to all distributors of TV channels, which may include, but be not limited to a cable operator, direct to home operator, multi system operator, headends in the sky operator; Multi system operators shall also on request re-transmit signals received from a broadcaster, on a non-discriminatory basis to cable operators.

Provided that this provision shall not apply in the case of a distributor of TV channels having defaulted in payment.

Provided further that any imposition of terms which are unreasonable shall be deemed to constitute a denial of request

Provided also that the provisions of this sub-regulation shall not apply in the case of a distributor of TV channels, who seeks signals of a particular TV channel from a broadcaster, while at the same time demanding carriage fee for carrying that channel on its distribution platform

Explanation 1

The applicant distributors of TV channels intending to get signal feed from any multi-system operator other than the presently-affiliated multi system operator, or from any agent/ any other intermediary of the broadcaster/multi system operator, or directly from broadcasters shall produce along with their request for services, a copy of the latest monthly invoice showing the dues, if any, from the presently-affiliated multi system operator, or from any agent/ any other intermediary of the broadcaster/multi system operator who collects the payment for providing TV channel signals.

Explanation 2

The stipulation of “placement frequency” or “package/ tier” by the broadcaster from whom the signals have been sought by a distributor of TV channels, as a “pre-condition” for making available signals of the requested channel(s) shall also amount to imposition of unreasonable terms.”

- 3.15 The above provisions are generally known as the ‘must provide’ provision for the interconnection amongst the service providers. This provision puts an obligation on the part of the broadcasters to provide signals to the distributors, on demand, on non-discriminatory terms. Broadcasters have, from time to time, raised the issue of similar obligation on the part of the MSO, which is normally termed as ‘must carry’ provision, to provide access to various content providers/channels on a non-discriminatory basis.
- 3.16 The issue of ‘must carry’ has been under consideration of the Authority for quite some time. The Authority in its recommendation on ‘Issues relating to Broadcasting and Distribution of TV channels’ dated 1st Oct 2004, had indicated that it will soon issue a regulation on Interconnection which would provide that the broadcasters ‘must provide’ signals of TV channels on request on a non-discriminatory basis to all distributors. This regulation was issued on December 10, 2004. On the issue of ‘Must Carry’ of TV channels on cable networks, the Authority had taken a view that there is capacity constraint on cable systems due to analog transmission and as such no regulation on ‘must carry’ is required for the present stage.

3.17 'Must Carry' is closely linked to the channel carrying capacity of the Cable TV networks. The stakeholders may have different viewpoints with regard to the 'must carry' provisions which may be as under:

- a. From the broadcaster's viewpoint, there is space for many niche and other channels in the market. Such channels would be launched in case they have an assurance that they would be carried on the cable networks. The 'must carry' obligations on Digital Cable Networks would provide such assurance and confidence to the industry.
- b. Another argument could be that, there are strong vertically integrated Broadcasters and MSOs in the industry. The 'must carry' regulation may ensure carriage of channels of rival broadcasters. Presently most of the channels are being launched from already established players. With 'must carry' provisions the competition amongst broadcasters may increase. This in turn shall directly benefit the consumer in terms of quality of programming and perhaps pricing.
- c. Another argument in favour of the 'must carry' could be that if it is not mandated, the MSO may create artificial capacity constraint by projecting a limited carrying capacity based network as the only viable business model for his market and demand for carriage fee.
- d. An argument against the 'must carry' provision could be that, in the digital cable TV systems, although there is no bandwidth limitation, for all practical purposes, however, carriage of any channel will always have a cost attached to it in terms of additional equipment such as IRD, encoder, Multiplexer etc., at each of its headend. More so, in the initial phases of implementation of Digital Addressable Cable TV systems, wherein the MSOs are likely to incur sizable capital expenditure for the transformation of their networks.
- e. One argument could be that unless some qualifiers are attached with the 'must carry' provision, all the broadcasters may ask the MSO under the 'must carry provisions' to carry all their channels to capitalize on the advertisement revenues whereas it may not be a viable business proposition for the MSO which may in turn adversely affect the consumers also.

3.18 A propos the above, the issues for consultation are:

- i. Should the 'must carry' provision be mandated for the MSOs, operating in the DAS areas?**
- ii. In case the 'must carry' is mandated, what qualifying conditions should be attached when a broadcaster seeks access to the MSOs network under the provision of 'must carry'?**
- iii. In case the 'must carry' is mandated, what should be the manner in which an MSO should offer access of its network, for the carriage of TV channel, on non-discriminatory terms to the broadcasters?**

Carriage fee

3.19 TRAI defined carriage fee in March 2009 by way of an amendment to the Telecommunication (Broadcasting and Cable Services) Interconnection Regulation 2004 (13 of 2004) i.e. vide the Telecommunication (Broadcasting and Cable Services) Interconnection (Fifth Amendment) Regulations,2009. The regulatory regime relating to interconnection in the broadcasting sector laid down by the TRAI thus encompasses the concept of carriage fee. In the said interconnection regulation, the carriage fee has been defined as any fee paid by a broadcaster to a distributor of TV channels, for carriage of the channels or bouquets of channels of that broadcaster on the distribution platform owned or operated by such distributor of TV channels, without specifying the placement of various channels of the broadcaster vis-à-vis channels of other broadcasters.

3.20 Due to the bandwidth constraints in the analog transmission mode, the MSO "allocates" certain frequencies to the highest paying channels. Carriage fee provides the broadcaster access to an MSO's network. This phenomenon can be interpreted in simple economic terms as a "demand-supply" mismatch. With supply remaining unchanged at around 80 channels and the total number of channels having risen steadily to more than 800 - carriage fee reflects the entry barrier posed by analog transmission.

3.21 Further, it is universally acknowledged that this fee reflects a genuine shortage of bandwidth in the analog transmission market. In this respect, carriage fee can be equated to auction proceeds for any scarce commodity. Placement fee is also similar to the concept of "listing fee" earned by retailers to display a certain manufacturer's products (channel) at a prime location (frequency) in their store (cable service).

- 3.22 In the analog cable TV systems, in cases where carriage fee is paid to the MSO through a monetary transaction, the amount paid is determined by a range of factors such as target audience delivered, popularity of the channel, bouquet composition, competitive intensity, linkage with metered markets, revenue potential of markets, macro-economic factors and business drivers.
- 3.23 Certain channels that have a steady demand in the market may pay lower carriage fee because the MSO would in any case want to carry those channels. The composition of the bouquet that the channel is part of and the relevance of that bouquet to the MSO also determines the value paid by a certain channel. If a genre has high competition amongst channels (and new channels continue to enter the market), then carriage fee is likely to be higher for that genre. This is because competition creates pressure on the number of frequencies allocated by the MSO to any particular genre. It has been observed that carriage fee is a phenomenon predominantly observed in metered markets. This is because channel and programme ratings are a key source of information for media planners, and are reported to determine spending for a large number of national advertisers. Even within metered markets, the amount of carriage fee paid appears to be linked to the revenue potential of individual regions/ cities.
- 3.24 In the analog cable TV service, the MSO model has become increasingly dependent on carriage fee over the last few years. It accounts for nearly 50% of the revenue for national MSOs. From a macro-perspective, carriage fee constitutes only 5% of the television industry's revenue. However it is a significant source of income for the MSO - contributing up to 50% of his total revenue and indicates its criticality to the MSO business model. The rapid increase in carriage /placement fee can be attributed to two reasons: (1) genuine lack of bandwidth in the analog transmission mode, which leads to a supply demand mismatch, and (2) considerable pressure on the MSO business model (worsened by lack of addressability) - leading to pressure to garner revenue from other sources like carriage fee.
- 3.25 TRAI has studied the phenomenon of carriage fee and observed that the carriage fee is purely market driven phenomena caused by a supply demand mismatch, and thus banning or prohibiting carriage fee is not a feasible option in the analog cable TV systems.

3.26 TRAI, in the Telecommunication (Broadcasting and Cable Services) Interconnection (Fifth Amendment) Regulations, 2009, concluded not to regulate the carriage fee for the analog cable TV systems also for the reasons as under:

- a. Carriage Fee is a market driven phenomenon and the levels of carriage Fee are determined by play of market forces. Carriage fee is a direct result of demand-supply mismatch due to capacity constraints of distribution platforms.
- b. Payment of Carriage/ Placement/ Technical Fee by a broadcaster is intimately linked with the perceived benefit that the broadcaster would enjoy by way of increased advertising revenue. This linkage is manifested by higher levels of Carriage Fee in TAM cities (cities where the rating agencies have installed their metering devices in sample households). Therefore, regulation of Carriage Fee cannot be done in isolation without regulating the advertising revenue.
- c. Payment of Carriage Fee ultimately gets recovered from the advertisers on TV channels by way of higher advertisement charges. However, no objections have been made by any advertiser in this regard so far.
- d. Carriage Fee has emerged in the market primarily as a result of inadequate digitalization in the Broadcasting & Cable TV market in the country. A view has also been expressed by some distributors of TV channels that Carriage Fee is genuinely required to promote digitalization. Any attempt to regulate it by way of ceiling or specifying a charge on carriage may slow down deployment of digital networks.
- e. The payment of Carriage Fee is often done in cash or kind (equipment for head-end, foreign tours, gifts etc.). Moreover many of the distributors of TV channels receiving Carriage Fee are small operators and their accounts are not subject to statutory audit. Therefore any regulation of Carriage Fee is bound to be a very porous regulation. Further, enforcement problems are anticipated in Carriage Fee regulation which may lead to other distortions in the market.
- f. If some kind of ceiling is laid down for carriage fee, then there is a possibility that more channels may be willing to pay the maximum permissible Carriage Fee than the number of available channel slots. Selection of which channels to carry in such a situation would again result in covert deals.
- g. There are some distributors of TV channels having other businesses (such as newspapers, radio stations, amusement parks etc.) also. If

such distributors of TV channels start collecting carriage fee disguised as payments for other goods or services sold by other companies within the group, then it will be practically impossible to regulate carriage fee.

- h. Carriage Fee is also linked with popularity of a channel, which in turn is determined by the market. In such a scenario, laying down a carriage fee regime through regulation for channels of varying popularity will be extremely difficult.
- i. There is no suitable mechanism for enforcement of any regulation on carriage Fee.

3.27 Subsequently, as a consequence of an appeal filed by TRAI in the Hon'ble Supreme Court, the Hon'ble Supreme Court asked TRAI to undertake a de novo study on all aspects of the tariff regulation applicable for cable TV systems of the non-CAS areas and also consider the feasibility of putting a cap on carriage and placement charges. On the issue of carriage charges, the Authority in its report submitted to the Hon'ble Supreme Court, observed as under:

“In the analog, non-addressable environment, the Authority is of the view that it is not feasible to place any cap on the amount of carriage and placement fee. In a situation of supply-demand mismatch due to the capacity constraints of distribution platforms, any attempt to lay down a ceiling will only result in market distortions and may lead to covert or disguised deals that will be difficult to regulate. The Authority has however noted that at present, carriage and placement fee agreements between the broadcasters and MSOs/LCOs are not filed with the regulator. The Authority is of the view that all carriage and placement fee transactions should be part of interconnection agreements between the broadcasters and MSOs/LCOs in the case of pay channels, or separately formalized as carriage and placement fee agreements in the case of FTA channels, and these should be filed with the TRAI. Such filings of carriage and placement fees will enable the Authority to monitor carriage and placement fee transactions regularly and regulate the same through interventions where considered necessary.”

Further, the Authority observed that an increase in capacity, through digitization, is the only sustainable way of addressing the carriage fee issue.

3.28 The Central Government has, on 11th Nov. 2011 vide notification no. SO 2534 (E), notified that it shall be obligatory for every cable operator to transmit or re-transmit programmes of any channel in an encrypted form through a digital addressable system in such city, town or area as specified in the said notification. With the implementation of the digital addressable cable TV systems, the issue of capacity constraint as well as transparency in business transactions in the cable TV distribution systems, shall get addressed for all practical purposes and the market dynamics with respect to the carriage fee is also likely to transform drastically thereby addressing the carriage fee related issues to a large extent.

3.29 During the meeting with the service providers, to discuss the issues related the regulatory framework for the upcoming DAS regime, some of the service providers have requested the Authority to examine the issue of regulating the carriage fee in the digital addressable cable TV systems.

3.30 One view could be that the digital addressable cable TV systems, being transparent and without any capacity constraints, the issue of carriage fee can be settled through mutual negotiations and there may not be any need to regulate the same. Contrary view could be that the carriage fee for a channel may be regulated and the basis may be the carriage cost for carrying the channel over the network, on reasonable and non-discriminatory terms.

3.31 A propos the above, issues for consultation are:

- i. Should the carriage fee be regulated for the digital addressable cable TV systems in India? If yes, how should it be regulated?**
- ii. Should the quantum of carriage fee be linked to some parameters? If so what are these parameters and how can they be linked to the carriage fee?**
- iii. Can a cap be placed on the quantum of carriage fee? If so, how should the cap be fixed?**

Standard Interconnection Agreements

3.32 In the notified CAS areas, however, with a view to ensure that implementation of CAS did not get held up for want of commercial agreements between the service

providers, which may take its own time, TRAI prescribed a Standard Interconnection Agreement (SIA) vide “The Telecommunications (Broadcasting and Cable Services) Interconnect (second amendment) Regulation 2006” dated 24th Aug 2006. As per this regulation, all broadcasters, multi system operators and cable operators were required to mutually negotiate and finalise their interconnection agreements in respect of notified CAS areas. In case, any of the service providers in such areas was not able to arrive at a mutually acceptable interconnection agreement within a time-period, specified by the Authority, then they were to enter into interconnection agreements in terms of the standard interconnection agreements as specified in Schedule I (between broadcaster and multi system operator) or in Schedule II (between multi system operator and cable operator) to this Regulation, as the case may be, within a time period specified by the Authority, for entering into standard interconnection agreements.

3.33 It was clarified in the said regulation that if the service providers have already entered into mutually acceptable interconnection agreements by such date as specified by the Authority, then they need not take recourse to standard interconnection agreements specified in Schedules I and II. Further, those service providers, who have a pre-existing interconnection agreement as on the date of issue of this regulation, will also have the option, after the expiry of their existing agreement, to either enter into a mutually acceptable interconnection agreement, or failing which to enter into interconnection agreements as per the standard agreements specified in Schedules I & II, within a period to be specified by the Authority. It was also provided that the standard agreement would be valid for only one year so that there is enough time for service providers to work out their mutually acceptable long term arrangements.

3.34 Some of the operators, in their representation to the Authority, have suggested that for the cable TV services in the DAS areas, TRAI may come out with an SIA on the lines of the SIA prescribed by TRAI for the notified CAS areas, with suitable amendments in line with the amended section 4A of the Cable Television (Networks) Regulation Act, 1995. While making this suggestion, the operators have stated that in the notified CAS areas the interconnection issues have been successfully dealt with, in terms of said SIA, and has helped the industry to launch CAS in the notified areas successfully.

3.35 A propos the above, the issue for consultation is:

Should TRAI prescribe a standard interconnection agreement between service providers on similar lines as that for notified CAS areas with conditions as applicable for DAS areas? If yes, why?

Chapter IV

Quality of Service Standards for the Digital Addressable Cable TV Systems

4.1 TRAI is responsible for the orderly growth of the broadcasting sector while protecting the interests of the consumers at large. As per section 11(1)(b)(v) of the Telecom Regulatory Authority of India Act, 1997 as amended, TRAI is required to discharge, among others, the following function:

“lay-down the standards of quality of service to be provided by the service providers and ensure the quality of service and conduct the periodical survey of such service provided by the service providers so as to protect interest of the consumers of telecommunication services.”

4.2 TRAI has already issued Quality of Service (QoS) regulations for the cable TV services in the notified CAS areas in the year 2006, for DTH services in the year 2007 and for cable TV services in non-CAS areas in the year 2009. These regulations are:

- (i) The Direct to Home Broadcasting Services (Standards of Quality of Service and Redressal of Grievances) Regulations, 2007 dated 31st August, 2007 along with its amendment date 12.03.2009.
- (ii) The Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television Non-CAS Areas) Regulations, 2009 dated 24th February, 2009.
- (iii) The Standards of Quality of Service (Broadcasting and Cable Television-CAS areas) Regulation 2006 dated 23.08.2006.

4.3 The issues covered in the above mentioned regulations broadly relate to the following major areas:

- a. Connection, disconnection, transfer and shifting of cable and satellite TV services.
- b. Complaint handling and redressal in respect of cable and satellite TV services.
- c. Billing Procedure and handling of billing related complaints.
- d. STB related issues and handling complaints thereof.
- e. Positioning of channels/taking the channel off-air etc.

4.4 The notification no. S.O.2534(E) dated 11th November, 2011 prescribes the time lines for the implementation of digital addressable cable TV systems in India. This

necessitates the need to lay down benchmarks for QoS standards for the upcoming digital addressable cable TV systems, in such a manner that the benchmarks are well known as well as measurable/ verifiable.

4.5 Broadly, the manner in which the services are envisaged to be delivered in the digital addressable cable TV systems shall be similar to that provided through the DTH platforms and cable TV services platforms in notified CAS areas. Therefore, the experience gained from the existing Regulations for the Cable TV service in the notified CAS areas and DTH sector can be appropriately utilized for framing the standards of Quality of Service (QoS) and Redressal of Consumer Grievances Regulations for the upcoming Digital addressable cable TV system. The QoS norms where the benchmarks for digital addressable cable TV systems may be similar with the existing benchmarks for these norms in the QoS regulations for notified CAS areas & DTH platforms are as under:

- (a) Connection, disconnection, transfer and shifting.
- (b) Complaint handling and redressal.
- (c) STB related issues.
- (d) Positioning of channels/taking the channel off-air etc.

4.6 However, besides the above norms to be covered in QoS regulations for the digital addressable cable TV systems, TRAI, after discussions with the stakeholders, has identified certain issues for consultation with the stakeholders. These issues are as listed below:-

- (i) Issues relating to billing (Pre-Paid billing).
- (ii) Demarcation of obligation and responsibilities for MSOs and LCOs for QoS.

4.7 This chapter initially discusses the QoS norms to be covered in the QoS regulations for the digital addressable cable TV systems. As mentioned above, these norms as well as their benchmarks may be derived from the existing QoS regulations for the DTH services and the notified CAS areas. Accordingly, the proposed norms for the Quality of Service and Redressal of Consumer Grievances for the Digital Addressable Cable TV Systems have been worked out. These are available at Annexure VI. The later part of the chapter discusses other issues identified by the Authority for consultation with the stakeholders.

Quality of Service (QoS) norms & Benchmarks for Digital Addressable Cable TV systems

4.8 As mentioned in the preceding paragraph, the proposed norms and benchmarks for Quality of Service and Redressal of Consumer Grievances for the Digital Addressable Cable TV Systems are available at Annexure VI. The source from where these norms / parameters have been derived are also mentioned in brackets, wherever applicable, against each of these norms / parameters.

4.9 **A propos the above, the issues for consultation are:**

- i. Do you agree with the norms proposed for the Quality of Service and redressal of consumer grievances for the digital addressable cable TV systems? In case of disagreement, please give your proposed norms alongwith detailed justifications.**
- ii. Please specify any other norms / parameters you may like to add with the requisite justifications and proposed benchmarks.**

New Issues raised by Stake holders

Obligations of MSO and LCO towards ensuring the QoS and redressal of consumer grievances

4.10 The cable services value chain comprises four main entities i.e. broadcaster, MSO, LCO and the consumer. As the last mile connectivity to the consumer is provided by LCO/ MSO, it would be appropriate if the demarcation of responsibilities is made with respect to MSO and LCO for the benefit of all the stakeholders including consumers.

4.11 In the existing analog Cable TV network, MSO's role is to downlink the broadcasters' signals, decrypt any encrypted channels and provide a bundled feed consisting of multiple channels to the multiple LCOs. MSOs emerged as a "master distributor" who would purchase content from various broadcasters and provide it to multiple LCOs. The MSO's business is dependent on the broadcaster/ aggregator for content and on the LCO for last mile connectivity and subscription revenue collection. Some MSOs also have "direct points" through which they service the last mile. The role of the LCOs in the supply chain is to receive a feed (bundled signals) from the MSO and retransmit this to subscribers in his area through cables. The business model of LCOs is largely based on providing services to specific areas/

localities within a city. The consumer has immediate access to the LCO for addressing the issues relating to connection/disconnection, shifting and transfer, billing and redressal of consumer grievances.

4.12 In the digital addressable cable TV systems, the subscriber management system (SMS) is an integral part. The SMS stores the subscriber records, information regarding the hardware being utilised by the subscriber, channels or bouquet of channels subscribed to by the subscriber, rates of subscribed channels or bouquet of channels as defined in the system, activation or deactivation dates and time of any channel or bouquet of channels, a log of all the actions performed on the subscribers record, invoices raised on each subscriber and the amount paid or discount allowed to the subscriber for each billing period etc. The SMS is generally located in the premises where the headend has been setup by MSO.

4.13 In the existing analog Cable TV network and the cable TV network operating in the CAS notified area, the obligation for Connection, disconnection, transfer and shifting, complaints handling and redressal, complaints relating to no signal, billing at the consumer end, STB related issues etc are on the part of LCO.

4.14 With the implementation of Digital Addressable Cable TV systems, the working model of an LCO would change. One argument could be that, as far a customer is concerned since LCO is the local front end who is the interface for consumer, LCO should continue to be responsible for all interaction with consumer including billing. Another argument could be that, unlike the analog system, the MSO in Digital Addressable Cable TV systems has the Subscriber Management System (SMS), which is responsible for generating the bill and therefore MSO should bill the consumer directly. In such a case, LCO would be like a franchise of MSO.

4.15 **A propos the above, the issues for consultation are:**

- i. Who should (MSO/LCO) be responsible for ensuring the standards of quality of service provided to the consumers with respect to connection, disconnection, transfer, shifting, handling of complaints relating to no signal, set top box, billing etc. and redressal of consumer grievances? Please elaborate with reasons.**
- ii. Whether Billing to the subscribers should be done by LCO or should it be done by MSO? In either case, please elaborate how system would work.**

Pre-paid billing

- 4.16 At present, subscribers of analog Cable TV network as well as the subscribers of cable TV system in CAS notified areas are generally billed on monthly basis whereas, the billing in DTH sector is done by DTH operators and is in the form of pre-paid subscription model as well as post paid subscription model.
- 4.17 As per the QoS norms for cable TV network in CAS notified areas, the subscribers have to make prompt payment of all bills within 7 days from the date of receipt of the bill. Any payment done after the expiry of 7 days attracts simple interest @ 15% p.a. on the amount of bill delayed. The interest for such delayed payment is calculated on a pro-rata basis for the number of days of delay. For each and every payment made by a subscriber, the cable operator/ MSO, as the case may be, is required to issue a proper receipt. Complaints relating to billing are to be addressed within 7 days of complaint from the subscriber.
- 4.18 Some of the Stakeholders have approached the Authority, seeking introduction of pre-paid subscription model for consumers in Digital Addressable Cable TV systems. The arguments put forward in its favour are:-
- i) The pre-paid subscription model is quite successful in the mobile telephone services and DTH services.
 - ii) The Digital Addressable Cable TV systems is completely addressable and Subscriber management system of addressable system is able to store the subscriber records and details with respect to channels subscribed to by the subscriber and amount paid by the subscriber. With increased usage of internet and telecommunication technologies for making on-line payment, it is now feasible that pre-paid subscription model in addition to post paid subscription model may be made available at the option of the consumer.
 - iii) As far as consumer is concerned, the pre-paid subscription model will empower the consumer to subscribe to Television services according to his/her need and convenience. The consumer can also be benefitted by discounts/ schemes, if any, offered by the Cable TV service providers.
 - iv) For MSO/LCO, this will bring in simplicity in collection of payment, transparency in the system of payments, direct relationship with the subscribers which will also facilitate on line redressal of complaints in respect of billing.

4.19 A propos the above, the issue for consultation is:

Should pre-paid billing option be introduced in DAS. Please justify your answer.

Chapter V

Miscellaneous Issues

A *Broadcasting of Advertisement free (ad-free) channels*

- 5.1 With the advancement of technology and awareness about the broadcasting services, consumer's habits & demands are changing towards the television programs' viewing. Presently, the consumers are fed with content feeds interlaced with the advertisements in between the various programs aired by the broadcasters in their channels. These advertisements or commercials constitute a significant portion of the revenues generated by the broadcasters. Where the free to air (FTA) broadcasters rely solely on the advertisements as their primary source of revenue, the pay broadcasters have twofold source of income in the form of advertisement and subscription revenues. In both the cases, the broadcasters need to ensure the reach of their network in order to ensure advertisement as well as subscription revenues.
- 5.2 From the consumer's point of view, despite the popularity of some advertisements, these advertisements are often an annoying factor in consumer's television viewing experience. The increasing number of advertisements, overplaying of the same advertisements and audio level of advertisements (which have a propensity to be higher than the regular programs), are some of its annoying features. These advertisements are often played/ repeated several times in between the programs, which breaks its continuity and is all the more annoying, when it is done so at crucial stages of a program.
- 5.3 In case of ad-free channels, broadcasters will have to rely only on the subscription revenue. It is also worthwhile to mention that implementation of digital addressable Cable TV system will bring about complete transparency in business transactions in the sector which in turn will ensure that subscription revenue collection match to the market size and this will decrease the dependency of broadcasters on advertisements revenue. Thus the possibility of viability of broadcasting of ad-free channels increases due to the expected increase in subscription revenue because of introduction of digital addressable system .
- 5.4 It has been seen that Indian broadcasters are currently more focused on the 'advertiser friendly' genres which limits the investment in niche or targeted content.

This is reflected by the presence of a large number of channels in established 'ad-friendly' genres like General Entertainment Channels (GEC), vis-à-vis variety in niche genres like education, infotainment, knowledge etc. where the number of channels are significantly smaller. This eventually restricts the variety in the content, more so the niche content with specific target audiences, being made available to the consumers, although such content may generally have a very positive impact on the public mind space.

5.5 A propos the above, the issues for consultation are:

- i. Whether an ad-free channel is viable in the context of Indian television market? Please elaborate with appropriate reasoning.**
- ii. Should there be a separate prescription in respect of tariff for ad-free channels at both the wholesale and retail level? Please elaborate with appropriate reasoning.**
- iii. What should be the provisions in the interconnection regulations in respect of ad-free channels? Please elaborate with appropriate reasoning.**
- iv. What should be the revenue sharing arrangement between the broadcasters and distributors in respect of ad-free channels? Please elaborate with appropriate reasoning.**
- v. Any other relevant issue that you may like to raise or comment upon.**

B Non-addressable digital set top boxes

5.6 Some of the stakeholders have raised the issue related to non-addressable digital set top boxes (STB). They have stated that at present in some of the non-CAS areas, the cable operators having a digital headend are providing digital signals to consumers through non-addressable digital STB, to exploit the advantage of higher capacity of digital systems. Non Addressable Digital STB allow un-encrypted feeds to pass through the STB. The apprehension is that during the implementation phase, proliferation of non addressable digital boxes may increase in the area where the date for implementing addressable digitization is later (i.e. areas other than Phase I). It has been further stated that these non-addressable digital set top boxes may pose a challenge of replacement/upgradation yet again when addressable digitization takes place in these areas besides creating a problem of e-waste also.

- 5.7 The Cable Television Network (Regulations) Act 1995, as amended from time to time, stipulates that no cable operators shall, on/and from the date of expiry of a period of three years from the date of establishment and publication of Indian Standards by the Bureau of Indian Standards (BIS) in accordance of provisions of BIS Act, use any equipments in his cable Television networks unless such equipment confirms to the said Indian Standards.
- 5.8 The Bureau of India Standards (BIS) has so far issued standards for analog set top boxes and digital set top box (addressable) and digital STB for DTH which is also addressable. Non- addressable digital set top boxes have no certification from BIS. The Cable Television Networks (Regulations) Act, 1995 as amended from time to time, provides that all the equipment used by cable operators have to compulsorily conform to standards prescribed by BIS. Also, as per TRAI tariff order for digital addressable systems dated 21st July 2010, the service provider has to make available the customer premises equipment (STB) conforming to BIS standards, if any.
- 5.9 It is clear from the above that since BIS does not have any standard for non-addressable STBs, providing such boxes would be in violation of the Cable TV Act and TRAI orders.
- 5.10 **A propos the above, the issue for consultation is:**

In case you have any view or comment on the non-addressable STBs, you may please provide the same with details.

C Reference point for wholesale price post DAS implementation

- 5.11 The wholesale rate of channels for digital addressable cable TV systems is governed by the provisions of the tariff order dated 21st July, 2010. As per the provisions of this tariff order, the rate for a pay channel for digital addressable systems cannot be more than 42% (as amended from 35%, the rate as per the said tariff order, to 42 % by the Supreme Court of India interim order dated 18th April, 2011 in the Civil Appeal Nos. 2847-2854 of 2011) of the rate of the channel as specified by the

broadcaster for non-addressable systems. Some of the stakeholders expressed apprehension about the wholesale tariff structure after the sunset date of 31st December, 2014, as at that time there would be no non-addressable cable TV system, anywhere in the country to act as reference.

5.12 In such a scenario, one view could be that since the reference point of non-addressable cable TV systems would cease to exist after the sunset date, the wholesale tariff of all the channels which exist on that date (i.e. 31st Dec 2014) and the rates of new channels that would be introduced after this date, would have to be determined afresh.

5.13 A contrary view could be that after 31st Dec 2014, the wholesale rates of the channels existing as on 31st Dec 2014, as per the tariff order dated 21st July 2010, should continue with any increase allowed by the Authority on account of inflation. The wholesale rate of any channel coming into existence or a channel introduced after 31st December, 2014, should be determined by the benchmark ceiling rate as prevailing on 31st December, 2014, for the similar channel. The criteria for similarity of channels as prescribed in clause 3B of the TRAI tariff Order⁶ may be adopted, *mutatis mutandis*. In other words, this view would mean that the non-existence of any non-addressable cable TV system would not have any impact on the channel rates.

5.14 **A propos the above, the issue for consultation is:**

Would there be an impact on the wholesale channel rates after the sunset date i.e. 31st Dec 2014, when the non-addressable systems would cease to exist? If so, what would be the impact? Please elaborate with details.

⁶ The Telecommunications(Broadcasting and Cable) Services (Second) Tariff Order 2004 dated 1st Oct. 2004, as amended from time to time.

Charter VI

Issues for Consultation

The following issues have been posed for consultation.

Note :

- i) To better understand and appreciate the viewpoint/comments it is essential that the same are supported with appropriate reasoning.
- ii) It may kindly be noted that the comments may be received in TRAI on or before 16th January 2012. No extension of time will be granted.

Basic Service Tier for the Digital Addressable Cable TV Systems

1. What should be the minimum number of free-to-air (FTA) channels that a cable operator should offer in the basic-service-tier (BST)? Should this number be different for different states, cities, towns or areas of the country? If so, what should be the number and criteria for determination of the same?
2. In the composition of BST, what should be the genre-wise (entertainment, information, education etc.) mix of channels? Should the mix of channels and/or the composition of BST be different for different states, cities, towns? If so, how should it be?
3. What should be the price of BST? Should this price be different for different states, cities, towns or areas of the country? If so, what should be the price and criteria for determination of the same?
4. What should be a-la-carte rate of channels that form part of BST? Should there be a linkage between a-la-carte rate of channels in the BST to the BST price or average price of a channel in the BST? If so, what should be the linkage and why?

Retail Tariff for the Digital Addressable Cable TV Systems

5. Should the retail tariff be determined by TRAI or left to the market forces? If it is to be determined by TRAI, how should it be determined?

- (a) Should the a-la-carte channel price at the retail be linked to its wholesale price? If yes, what should be the relation between the two prices and the rationale for the same?
- (b) Should there be a common ceiling across all genres for the pay channels or different ceilings for different genres? What should be the ceilings in each case and the reasons thereof?
- (c) Should there be a common ceiling across all genres for the FTA channels or different ceilings for different genres? What should be the ceilings in each case and the reasons thereof?
- (d) Any other method you may like to suggest?

Interconnection in the Digital Addressable Cable TV Systems

- 6. Does any of the existing clauses of the Interconnection Regulations require modifications? If so, please mention the same with appropriate reasoning?
- 7. Should the subscription revenue share between the MSO and LCO be determined by TRAI or should it be left to the negotiations between the two?
- 8. If it is to be prescribed by TRAI what should be the revenue share? Should it be same for BST and rest of the offerings?
- 9. Should the 'must carry' provision be mandated for the MSOs, operating in the DAS areas?
- 10. In case the 'must carry' is mandated, what qualifying conditions should be attached when a broadcaster seeks access to the MSO network under the provision of 'must carry'?
- 11. In case the 'must carry' is mandated, what should be the manner in which an MSO should offer access of its network, for the carriage of TV channel, on non-discriminatory terms to the broadcasters?
- 12. Should the carriage fee be regulated for the digital addressable cable TV systems in India? If yes, how should it be regulated?

13. Should the quantum of carriage fee be linked to some parameters? If so what are these parameters and how can they be linked to the carriage fee?
14. Can a cap be placed on the quantum of carriage fee? If so, how should the cap be fixed?
15. Should TRAI prescribe a standard interconnection agreement between service providers on similar lines as that for notified CAS areas with conditions as applicable for DAS areas? If yes, why?

Quality of Service Standards for the Digital Addressable Cable TV System

16. Do you agree with the norms proposed for the Quality of Service and redressal of consumer grievances for the digital addressable cable TV systems? In case of disagreement, please give your proposed norms alongwith detailed justifications.
17. Please specify any other norms/parameters you may like to add with the requisite justifications and proposed benchmarks.
18. Who should (MSO/LCO) be responsible for ensuring the standards of quality of service provided to the consumers with respect to connection, disconnection, transfer, shifting, handling of complaints relating to no signal, set top box, billing etc. and redressal of consumer grievances?
19. Whether Billing to the subscribers should be done by LCO or should it be done by MSO? In either case, please elaborate how system would work.
20. Should pre-paid billing option be introduced in Digital Addressable Cable TV systems?

Miscellaneous Issues

Broadcasting of Advertisement free (ad-free) channels

21. Whether an ad-free channel is viable in the context of Indian television market?

22. Should there be a separate prescription in respect of tariff for ad-free channels at both the wholesale and retail level?
23. What should be the provisions in the interconnection regulations in respect of ad-free channels?
24. What should be the revenue sharing arrangement between the broadcasters and distributors in respect of ad-free channels?

Non addressable digital Set top boxes

25. In case you have any view or comment on the non-addressable STBs, you may please provide the same with details.

Reference point for wholesale price post DAS implementation

26. Would there be an impact on the wholesale channel rates after the sunset date i.e. 31st Dec 2014, when the non-addressable systems would cease to exist? If so, what would be the impact?

27. **Any other relevant issue that you may like to raise or comment upon.**

Glossary

Sr. No	Abbreviations	Description
1	BIS	Bureau of Indian Standards
2	BST	Basic Service Tier
3	CAS	Conditional Access System
4	CII	Confederation of Indian Industries
5	COFI	Cable Operators Federation of India
6	DAS	Digital Addressable Cable TV Systems
7	DD	Doordarshan
8	DTH	Direct To Home
9	FICCI	Federation of Indian Chambers of Commerce and Industries
10	FTA	Free To Air
11	GEC	General Entertainment Channel
12	HITS	Headend In The Sky
13	IBF	Indian Broadcasting Federation
14	IPTV	Internet Protocol Television
15	IRD	Integrated Receiver Decoder
16	LCO	Local Cable Operator
17	MOU	Memorandum of Understanding
18	MSO	Multi System Operator
19	NBA	News Broadcasters Association

20	QoS	Quality of Service
21	RIO	Reference Interconnection Offers
22	SIA	Standard Interconnection Agreements
23	SMS	Subscriber Management System
24	STB	Set Top Box
25	TAM	Television Audience Measurement
26	TDSAT	Telecom Disputes Settlement and Appellate Tribunal
27	TRAI	Telecom Regulatory Authority of India
28	VAS	Value Added Service

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No. 25] NEW DELHI, TUESDAY, OCTOBER 25, 2011/KARTIKA 3, 1933 (SAKA)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 25th October, 2011/ Kartika 3, 1933 (Saka)

THE CABLE TELEVISION NETWORKS (REGULATION) AMENDMENT ORDINANCE, 2011 No. 3 Of 2011

Promulgated by the President in the Sixty-second Year of the Republic of India.

An Ordinance further to amend the Cable Television Networks (Regulation) Act, 1995.

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for her to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. (1) This Ordinance may be called the Cable Television Networks (Regulation) Amendment Ordinance, 2011.

Short title
and
commencement.

(2) It shall come into force at once.

Amendment
of section 2.

2. In section 2 of the Cable Television Networks (Regulation) Act, 1995 7 of 1995.
(hereinafter referred to as the principal Act),—

(A) for clause (aa), the following clauses shall be substituted, namely:—

“(ai) “Authority” means the Telecom Regulatory Authority of India established under sub-section (1) of section 3 of the Telecom Regulatory Authority of India Act, 1997; 24 of 1997.

(aii) “Broadcaster” means a person or a group of persons, or body corporate, or any organisation or body providing programming services and includes his or its authorised distribution agencies;

(aiii) “cable operator” means any person who provides cable service through a cable television network or otherwise controls or is responsible for the management and operation of a cable television network and fulfils the prescribed eligibility criteria and conditions;”;

(B) in clause (e), for sub-clause (iii), the following sub-clause shall be substituted, namely:—

“(iii) a company as defined in section 3 of the Companies Act, 1956;” 1 of 1956.

(C) after clause (e), the following clause shall be inserted, namely:—

“(ei) “post” means a post and includes a pole, tower, standard, stay, strut, cabinet, pillar or any above ground contrivance for carrying, suspending or supporting any network infrastructure facility;”;

(D) in clause (g), in sub-clause (i), the words “through video cassette recorders or video cassette players” shall be omitted;

(E) after clause (g), the following clause shall be inserted, namely:—

“(gi) “public authority” means any authority, body or institution of local self- government constituted or established by or under—

(i) the Constitution of India;

(ii) any law made by Parliament;

(iii) any law made by a State Legislature;

(iv) any notification issued or order made by the appropriate Government;

and includes any—

(v) body owned, controlled or substantially financed; or

(vi) non-governmental organisation substantially financed; or directly or indirectly by funds provided by the appropriate Government;”;

(F) in clause (h), after the words "under this Act", the following shall be inserted, namely:—

"within such local limits of jurisdiction as may be determined by that Government;"

(G) in clause (i),—

(a) for the words "a person", the words "any individual, or association of individuals, or a company, or any other organisation or body" shall be substituted;

(b) for the words "indicated by him", the words "indicated by him or it" shall be substituted.

3. In section 3 of the principal Act, the proviso shall be omitted.

Amendment of section 3.

4. For section 4 of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 4.

"4. (1) Any person who is desirous of operating or is operating a cable television network may apply for registration or renewal of registration, as a cable operator to the registering authority.

Registration as cable operator.

(2) The cable operator shall fulfill such eligibility criteria and conditions as may be prescribed and different eligibility criteria may be prescribed for different categories of cable operators.

(3) On and from the date of issue of notification under section 4A, no new registration in a State, city, town or area notified under that section shall be granted to any cable operator who does not undertake to transmit or retransmit channels in an encrypted form through a digital addressable system.

(4) An application under sub-section (1) shall be made in such form and be accompanied with such documents and fees as may be prescribed.

(5) On receipt of the application, the registering authority shall satisfy itself that the applicant has furnished all the required information prescribed under sub-section (4) and on being so satisfied, register the applicant as a cable operator and grant him a certificate of registration or renew its registration, as the case may be, subject to such terms and conditions as may be prescribed under sub-section (6):

Provided that the registering authority may, if it is satisfied that the applicant does not fulfill the eligibility criteria and conditions prescribed under sub-section (2) or the application is not accompanied with necessary documents or fees prescribed under sub-section (4), and for reasons to be recorded in writing, by order, refuse to grant its registration or renewal and communicate the same to the applicant:

Provided further that the applicant may prefer an appeal against the order of the registering authority refusing grant or renewal of registration to the Central Government.

(6) Without prejudice to the compliance of eligibility criteria for registration of cable operators, the Central Government may prescribe, having regard to the interests of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality, foreign relation or contempt of court, defamation or incitement to an offence, such terms and conditions of registration including additional criteria or conditions to be fulfilled by the cable operator.

(7) The Central Government may suspend or revoke the registration granted under sub section (5) if the cable operator violates one or more of the terms and conditions of such registration:

Provided that no such order of suspension or revocation shall be made without giving a reasonable opportunity of being heard to the cable operator.”

Substitution
of new
sections for
section 4A.

5. For section 4A of the principal Act, the following sections shall be substituted, namely:—

Transmission
of
programmes
through
digital
addressable
systems, etc.

*4A. (1) Where the Central Government is satisfied that it is necessary in the public interest so to do, it may, by notification in the Official Gazette, make it obligatory for every cable operator to transmit or re-transmit programmes of any channel in an encrypted form through a digital addressable system with effect from such date as may be specified in the notification and different dates may be specified for different States, cities, towns or areas, as the case may be:

Provided that the date specified in the notification shall not be earlier than six months from the date of issue of such notification to enable the cable operators in different States, cities, towns or areas to install the equipment required for the purposes of this sub-section.

(2) The Central Government may prescribe appropriate measures and take such steps as it may consider necessary for implementation of the notification issued under sub-section (1).

(3) If the Central Government is satisfied that it is necessary in the public interest so to do, and if not otherwise specified by the Authority, it may direct the Authority to specify, by notification in the Official Gazette, one or more free-to-air channels to be included in the package of channels forming basic service tier and any or more such channels may be specified, in the notification, *genre-wise* for providing a programme mix of entertainment, information, education and such other programmes and fix the tariff for basic service tier which shall be offered by the cable operators to the consumers and the consumer shall have the option to subscribe to any such tier:

Provided that the cable operator shall also offer the channels in the basic

service tier on a *la carte* basis to the subscriber at a tariff specified under this sub-section.

(4) The Central Government or the Authority may specify in the notification referred to in sub-section (3), the number of free-to-air channels to be included in the package of channels forming basic service tier for the purposes of that sub-section and different numbers may be specified for different States, cities, towns or areas, as the case may be.

(5) It shall be obligatory for every cable operator to publicise the prescribed information including but not limited to subscription rates, standards of quality of service and mechanism for redressal of subscribers' grievances in such manner and at such periodic intervals as may be specified by the Central Government or the Authority for the benefit of the subscriber.

(6) The cable operator shall not require any subscriber to have a receiver set of a particular type to receive signals of cable television network:

Provided that the subscriber shall use a digital addressable system to be attached to his receiver set for receiving programmes transmitted on any channel.

(7) Every cable operator shall provide such information relating to its cable services and networks in such format and at such periodic intervals to the Central Government or the State Governments or the Authority or their authorised representatives, as may be specified by them from time to time.

(8) All actions taken by the Central Government or the Authority in pursuance of the provisions of this section as they stood immediately before the commencement of the Cable Television Networks (Regulation) Amendment Ordinance, 2011 shall continue to remain in force till such actions are modified as per the provisions of this Act.

Explanation.— For the purposes of this section,—

(a) "addressable system" means an electronic device (which includes hardware and its associated software) or more than one electronic devices put in an integrated system through which signals of cable television network can be sent in encrypted form, which can be decoded by the device or devices, having an activated Conditional Access System at the premises of the subscriber within the limits of authorisation made, through the Conditional Access System and the subscriber management system, on the explicit choice and request of such subscriber, by the cable operator to the subscriber;

(b) "basic service tier" means a package of free-to-air channels to be offered by a cable operator to a subscriber with an option to subscribe, for a single price to subscribers of the area in which his cable television network is providing service;

(c) "encrypted", in respect of a signal of cable television network, means the changing of such signal in a systematic way so that the signal would be unintelligible without use of an addressable system and the expression "unencrypted" shall be construed accordingly;

(d) "free-to-air channel", in respect of a cable television network, means a channel, for which no subscription fee is to be paid by the cable operator to the broadcaster for its retransmission on cable;

(e) "pay channel", in respect of a cable television network, means a channel for which subscription fees is to be paid to the broadcaster by the cable operator and due authorisation needs to be taken from the broadcaster for its retransmission on cable;

(f) "subscriber management system" means a system or device which stores the subscriber records and details with respect to name, address and other information regarding the hardware being utilised by the subscriber, channels or bouquets of channels subscribed to by the subscriber, price of such channels or bouquets of channels as defined in the system, the activation or deactivation dates and time for any channel or bouquets of channels, a log of all actions performed on a subscriber's record, invoices raised on each subscriber and the amounts paid or discount allowed to the subscriber for each billing period.

Right of way
for cable
operators and
permission by
public
authority.

4B. (1) Subject to the provisions of this Act, any cable operator entitled for providing cable services may, from time to time, lay and establish cables and erect posts under, over, along, across, in or upon any immovable property vested in or under the control or management of a public authority.

(2) Any public authority under whose control or management any immovable property is vested may, on receipt of a request from a cable operator permit the cable operator to do all or any of the following acts, namely:—

(a) to place and maintain underground cables or posts; and

(b) to enter on the property, from time to time, in order to place, examine, repair, alter or remove such cables or posts.

(3) The facility of right of way under this section for laying underground cables, and erecting posts, shall be available to all cable operators subject to the obligation of reinstatement or restoration of the property or payment of reinstatement or restoration charges in respect thereof at the option of the public authority.

(4) When a public authority in public interest considers it necessary and expedient that the underground cable or post placed by any cable operator under the provisions of this section should be removed or shifted or its position altered, it may require the cable operator to remove it or shift it or alter its position, as the case may be, at its own cost in the time frame indicated by the public authority.

(5) The Central Government may lay down appropriate guidelines to enable the State Governments to put in place an appropriate mechanism for speedy clearance of requests from cable operators for laying cables or erecting posts on any property vested in, or under the control or management of, any public authority and for settlement of disputes, including refusal of permission by the public authority.

(6) Any permission granted by a public authority under this section may be given subject to such reasonable conditions as that public authority thinks fit to impose as to the payment of any expenses, or time or mode of

execution of any work, or as to any other matter connected with or related to any work undertaken by the cable operator in exercise of those rights.

(7) Nothing in this section shall confer any right upon any cable operator other than that of user for the purpose only of laying underground cable or erecting posts or maintaining them.

6. For section 8 of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 8.
Compulsory transmission of certain channels.

“8. (1) The Central Government may, by notification in the Official Gazette, specify the names of Doordarshan channels or the channels operated by or on behalf of Parliament, to be mandatorily carried by the cable operators in their cable service and the manner of reception and retransmission of such channels:

Provided that in areas where digital addressable system has not been introduced in accordance with the provisions of sub-section (1) of section 4A, the notification as regards the prime band is concerned shall be limited to the carriage of two Doordarshan terrestrial channels and one regional language channel of the State in which the network of the cable operator is located.

(2) The channels referred to in sub-section (1) shall be retransmitted without any deletion or alteration of any programme transmitted on such channels.

(3) Notwithstanding the provisions of sub-section (1), any notification issued by the Central Government or the Prasar Bharti (Broadcasting Corporation of India) in pursuance of the provisions of sub-section (1), prior to the commencement of the Cable Television Networks (Regulation) Amendment Ordinance, 2011 shall continue to remain in force till such notifications are rescinded or amended, as the case may be.”

7. In section 9 of the principal Act,—

Amendment of section 9.

(a) for the word “equipment”, at both the places where it occurs, the words “equipment or digital addressable system” shall be substituted;

(b) the proviso shall be omitted.

8. In section 10 of the principal Act, after the words “authorised telecommunication systems”, the words “and is in conformity with such standards relating to interference as may be prescribed by the Central Government” shall be inserted.

Amendment of section 10.

9. After section 10 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 10 A.

13 of 1885.

“10A. (1) Without prejudice to the provisions contained in the Indian Telegraph Act, 1885 or any other law for the time being in force, the Central Government or its officers authorised by it or authorised agency shall have the right to inspect the cable network and services.

Inspection of cable network and services.

(2) No prior permission or intimation shall be required to exercise the right of the Central Government or its authorised representatives to carry out

such inspection.

(3) The inspection shall ordinarily be carried out after giving reasonable notice except in circumstances where giving of such a notice shall defeat the purpose of the inspection.

(4) On being so directed by the Central Government or its authorised officers or agency so authorised by it, the cable operator shall provide the necessary equipment, services and facilities at designated place or places for lawful interception or continuous monitoring of the cable service at its own cost by or under the supervision of the Central Government or its officers or agency so authorised by it.”.

Substitution of new section for section 11.

10. For section 11 of the principal Act, the following section shall be substituted, namely:—

Power to seize equipment used for operating cable television network.

“11. If any authorised officer has reason to believe that the provisions of section 3, section 4A, section 5, section 6, section 8, section 9 or section 10 have been or are being contravened by any cable operator, he may seize the equipment being used by such cable operator for operating the cable television network:

Provided that the seizure of equipment in case of contravention of sections 5 and 6 shall be limited to the programming service provided on the channel generated at the level of the cable operator.”.

Amendment of section 21.

11. In section 21 of the principal Act, for the words and figures “and the Consumer Protection Act, 1986, “ the following shall be substituted, namely:— 68 of 1986.

“the Consumer Protection Act, 1986 and the Telecom Regulatory Authority of India Act, 1997”. 68 of 1986. 24 of 1997.

Amendment of section 22.

12. In section 22 of the principal Act, in sub-section (2),—

(i) for clause (a), the following clause shall be substituted, namely:—

“(a) the eligibility criteria for different categories of cable operators under sub-section (2) of section 4;”;

(ii) for clause (aa), the following clause shall be substituted, namely:—

“(aa) the form of application, documents to be accompanied and the fees payable under sub-section (4) of section 4;”;

(iii) for clause (aaa), the following clause shall be substituted, namely:—

“(aaa) the terms and conditions of registration under sub-section (6) of section 4;”;

(iv) after clause (aaa), the following clause shall be inserted, namely:—

“(aaaa) appropriate measures under sub-section (2) of section 4A for implementation of the notification under sub-section (1) of that section;”;

(v) after clause (d), the following clause shall be inserted, namely:—

“(da) the specifications of interference standards for interfering with any telecommunication system under section 10;”.

PRATIBHADEVISINGH PATIL,
President

V.K. BHASIN,
Secy. to the Govt. of India

रजिस्ट्री सं० डी० एल०-33004/99

REGD. NO. D. L.-33004/99



भारत का राजपत्र

The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (ii)

PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित

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सूचना और प्रसारण मंत्रालय

अधिसूचना

नई दिल्ली, 11 नवम्बर, 2011

का.अ. 2534(अ).— केन्द्रीय सरकार केबल टेलीविजन नेटवर्क (विनियमन) संशोधन अध्यादेश, 2011 (2011 का 3) द्वारा यथासंशोधित केबल टेलीविजन नेटवर्क (विनियमन) अधिनियम, 1985 (1995 का 7) की धारा 4क की उप-धारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, यह समाधान हो जाने के पश्चात् कि ऐसा करना लोक हित में आवश्यक है, यह अधिसूचित करती है कि प्रत्येक केबल आपरेटर के लिए निम्नलिखित सारणी के स्तंभ (2) में यथाविनिर्दिष्ट ऐसे शहर, नगर या क्षेत्र में सारणी के स्तंभ (3) में यथाविनिर्दिष्ट तत्स्थानी राज्य या संघ राज्यक्षेत्र के संबंध में उक्त सारणी के स्तंभ (4) में यथाविनिर्दिष्ट ऐसी तारीख से अंकीर पता प्रणाली के माध्यम से कूटबद्ध रूप में किसी चैनल के कार्यक्रमों का प्रसारण या पुनःप्रसारण करना बाध्यकारी होगा :-

फेस (1)	शहर/नगर/क्षेत्र (2)	राज्य/संघ राज्यक्षेत्र (3)	तारीख (4)
फेज़-1	1. ग्रेटर मुंबई क्षेत्र की नगर परिषद्	महाराष्ट्र	30 जून, 2012
	2. राष्ट्रीय राजधानी क्षेत्र दिल्ली	दिल्ली	
	3. कोलकाता मेट्रोपोलिटन क्षेत्र	पश्चिमो बंगाल	
	4. चेन्नई मेट्रोपोलिटन क्षेत्र	तमिलनाडु	
फेज़-2	1. बैंगलोर	कर्नाटक	31 मार्च, 2013
	2. हैदराबाद	आंध्र प्रदेश	
	3. अहमदाबाद	गुजरात	
	4. पुणे	महाराष्ट्र	
	5. सूस्त	गुजरात	
	6. कानपुर	उत्तर प्रदेश	
	7. जयपुर	राजस्थान	
	8. लखनऊ	उत्तर प्रदेश	

4119 GI/2011

(1)

	9. नागपुर	महाराष्ट्र	
	10. पटना	बिहार	
	11. इंदौर	मध्य प्रदेश	
	12. भोपाल	मध्य प्रदेश	
	13. ठाणे	महाराष्ट्र	
	14. लुधियाना	पंजाब	
	15. आगरा	उत्तर प्रदेश	
	16. पिम्परी-चिंचवाड	महाराष्ट्र	
	17. नासिक	महाराष्ट्र	
	18. वडोदरा	गुजरात	
	19. फरीदाबाद	हरियाणा	
	20. गाजियाबाद	उत्तर प्रदेश	
	21. राजकोट	गुजरात	
	22. मेरठ	उत्तर प्रदेश	
	23. कल्याण-डोम्बीवली	महाराष्ट्र	
	24. वाराणसी	उत्तर प्रदेश	
	25. अनूपतर	पंजाब	
	26. नवी मुंबई	महाराष्ट्र	
	27. औरंगाबाद	महाराष्ट्र	
	28. सोलापुर	महाराष्ट्र	
	29. इलाहाबाद	उत्तर प्रदेश	
	30. जबलपुर	मध्य प्रदेश	
	31. श्रीनगर	जम्मू-कश्मीर	
	32. विशाखापटनम	आंध्र प्रदेश	
	33. संची	झारखंड	
	34. हवड़ा	पश्चिमी बंगाल	
	35. चंडीगढ़	चंडीगढ़	
	36. कोयंबतूर	तमिलनाडु	
	37. मैसूर	कर्नाटक	
	38. जोधपुर	राजस्थान	
फेज़-3	ऊमर तत्स्थानी फेज़-1 और फेज़-2 के लिए विनिर्दिष्ट शहरों/नगरों/क्षेत्रों के सिवाय अन्य सभी शहरी क्षेत्र (नगर निगम/नगर पालिकाएँ)		30 सितंबर, 2014
फेज़-4	शेष भारत		31 दिसंबर, 2014

[सं. 9/16/2004-बीपी एंड एल (जिल्द-7)]
सुप्रिया साह, संयुक्त सचिव

MINISTRY OF INFORMATION AND BROADCASTING

NOTIFICATION

New Delhi, the 11th November, 2011

S.O. 2534(E).— In exercise of the powers conferred by sub-section (1) of the section 4A of the Cable Television Networks (Regulation) Act, 1995 (7 of 1995) , as amended by the Cable Television Networks (Regulation) Amendment Ordinance, 2011 (3 of 2011) , the Central Government, having been satisfied that it is necessary in the public interest so to do, hereby, notifies that it shall be obligatory for every cable operator to transmit or re-transmit programmes of any channel in an encrypted form through a digital addressable system in such city, town or area, as specified in column (2) of the following Table , in respect of corresponding State or Union territory, as specified in column (3) thereof, with effect from such date, as specified in column (4) of the said Table :-

Table .

Phase (1)	City /town/area (2)	State/ Union territory (3)	Date (4)
Phase-I	1. Municipal Council of Greater Mumbai area	Maharashtra	30 th June, 2012
	2. National Capital Territory of Delhi	Delhi	
	3. Kolkata Metropolitan area	West Bengal	
	4. Chennai Metropolitan area	Tamil Nadu	
Phase-II	1. Bangalore	Karnataka	31 st March, 2013
	2. Hyderabad	Andhra Pradesh	
	3. Ahmedabad	Gujarat	
	4. Pune	Maharashtra	
	5. Surat	Gujarat	
	6. Kanpur	Uttar Pradesh	
	7. Jaipur	Rajasthan	
	8. Lucknow	Uttar Pradesh	
	9. Nagpur	Maharashtra	
	10. Patna	Bihar	
	11. Indore	Madhya Pradesh	
	12. Bhopal	Madhya Pradesh	
	13. Thane	Maharashtra	
	14. Ludhiana	Punjab	
	15. Agra	Uttar Pradesh	
	16. Pimpri - Chinchwad	Maharashtra	

	17. Nashik	Maharashtra	
	18. Vadodara	Gujarat	
	19. Faridabad	Haryana	
	20. Ghaziabad	Uttar Pradesh	
	21. Rajkot	Gujarat	
	22. Meerut	Uttar Pradesh	
	23. Kalyan- Dombivli	Maharashtra	
	24. Varanasi	Uttar Pradesh	
	25. Amritsar	Punjab	
	26. Navi Mumbai	Maharashtra	
	27. Aurangabad	Maharashtra	
	28. Solapur	Maharashtra	
	29. Allahabad	Uttar Pradesh	
	30. Jabalpur	Madhya Pradesh	
	31. Srinagar	Jammu and Kashmir	
	32. Visakhapatnam	Andhra Pradesh	
	33. Ranchi	Jharkhand	
	34. Howrah	West Bengal	
	35. Chandigarh	Chandigarh	
	36. Coimbatore	Tamil Nadu	
	37. Mysore	Karnataka	
	38. Jodhpur	Rajasthan	
Phase-III	All other urban areas (Municipal corporations/municipalities) except cities/towns/areas specified for the corresponding Phase-I and Phase-II above.		30 th September, 2014
Phase-IV	Rest of India		31 st December, 2014

[No.9/16/2004-BP&L.(Vol.-VII)]

SUPRIYA SAHU, Jt. Secy

Ceiling on charges payable by a subscriber to the cable operator or multi system operator in Non-CAS areas.

Serial number (1)	Number of pay channels and Free to Air channels to be transmitted or re-transmitted through the cable television network. (2)		Maximum amount of charges payable by a subscriber per month for first television connection (exclusive of all taxes) for Pay channels and Free to Air channels mentioned under column (2) (3)		
	Pay channels 2(a)	Free to Air channels. 2(b)	X Class cities and erstwhile A Class cities* 3(a)	Y Class cities excluding erstwhile A Class cities* 3(b)	Z Class cities, towns and other habitations
1	No Pay channel	minimum 30 Free to Air channels	Not exceeding Rs 82/- only	Not exceeding Rs 82/- only	Not exceeding Rs 82/- only
2.	Upto 20 Pay channels.	minimum 30 Free to Air channels	Not exceeding Rs 171/- only.	Not exceeding Rs 150/- only	Not exceeding Rs 139/- only
3.	More than 20 and upto 30 pay channels.	minimum 30 Free to Air channels	Not exceeding Rs 214/-	Not exceeding Rs 182/-	Not exceeding Rs 171/- only
4.	More than 30 and upto 45 pay channels.	minimum 30 Free to Air channels	Not exceeding Rs 251/- only.	Not exceeding Rs 214/- only.	Not exceeding Rs 198/- only.

5.	More than 45 pay channels.	minimum 30 Free to Air channels	Not exceeding Rs 278/- only.	Not exceeding Rs 235/- only.	Not exceeding Rs 214/- only.
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* Erstwhile A class cities as per Government of India, Ministry of Finance (Department of Expenditure) O.M. No. 2(21)/E.II(B)/2004 dated 18.11.2004.”;

Note : Classification of cities referred to above shall be the same classification as mentioned in the orders of the Government of India, Ministry of Finance issued, from time to time, for the purpose of determining the entitlement of house rent allowance of Central Government Employees as per the O.M. No. 2(21)/E.II(B)/2004 dated 18.11.2004 issued by the Ministry of Finance (Department of Expenditure) as modified by its O.M. No.2(13)/2008-E.II(B) dated 29th August, 2008 or such other classification as may be specified by the Government of India, Ministry of Finance from time to time for the entitlement of the house rent allowance except in respect of cities which had been originally classified as A Class cities as per O.M. No. 2(21)/E.II(B)/2004 dated 18.11.2004, which shall, for the purpose of this Tariff Order, continue to be grouped with erstwhile A-1 Class cities now classified as X Class cities as per the said O.M. No.2(13)/2008-E.II(B) dated 29th August, 2008.”.

List of Cities and Towns under different categories for purposes of the present Tariff Order

S. No.	"X" Class Cities including erstwhile "A" Class cities		"Y" Class Cities excluding erstwhile "A" Class cities
1	Ahmedabad (U/A)#	1	Agra (U/A)
2	Bengaluru (U/A)	2	Aligarh
3	Chennai (U/A)	3	Allahabad (U/A)
4	Delhi (U/A)	4	Amravati
5	Faridabad*	5	Amritsar (U/A)
6	Ghaziabad*	6	Asansol (U/A)
7	Greater Mumbai (U/A)	7	Aurangabad (U/A)
8	Gurgaon*	8	Bareilly (U/A)
9	Hyderabad (U/A)	9	Belgaum (U/A)
10	Kolkata (U/A)	10	Bhavnagar (U/A)

11	Jaipur#	11	Bhiwandi (U/A)
12	Kanpur (U/A)#	12	Bhopal (U/A)
13	Lucknow (U/A)#	13	Bhubaneshwar (U/A)
14	Nagpur (U/A)#	14	Bikaner
15	NOIDA*	15	Chandigarh
16	Pune (U/A)#	16	Coimbatore (U/A)
17	Surat (U/A)#	17	Cuttak (U/A)
		18	Dehradun (U/A)
		19	Dhanbad (U/A)
		20	Durg-Bhilai Nagar (U/A)
		21	Goa*
		22	Gorakhpur
		23	Guntur
		24	Guwahati (U/A)
		25	Gwalior (U/A)
		26	Hubli-Dharwad
		27	Indore (U/A)
		28	Jabalpur (U/A)
		29	Jalandhar Cantt *
		30	Jalandhar (U/A)
		31	Jammu (U/A)
		32	Jamnagar (U/A)
		33	Jamshedpur (U/A)
		34	Jodhpur (U/A)
		35	Kochi (U/A)
		36	Kohlapur (U/A)
		37	Kota (U/A)
		38	Kozhikode (U/A)
		39	Ludhiana (U/A)
		40	Madurai (U/A)
		41	Mangalore (U/A)
		42	Meerut (U/A)
		43	Moradabad
		44	Mysore (U/A)
		45	Nashik (U/A)
		46	Patna (U/A)
		47	Pondicherry (U/A)
		48	Port Blair *
		49	Raipur (U/A)
		50	Rajkot (U/A)
		51	Ranchi (U/A)

		52	Salem (U/A)
		53	Shillong *
		54	Solapur
		55	Srinagar (U/A)
		56	Thiruvananthapuram (U/A)
		57	Tiruchirappalli (U/A)
		58	Tiruppar (U/A)
		59	Vadodara (U/A)
		60	Varanasi (U/A)
		61	Vijaywada (U/A)
		62	Visakhapatnam (U/A)
		63	Warangal (U/A)

Note

- (i) The above list is based on the Government of India, Ministry of Finance (Department of Expenditure)'s O.M. No. 2(13)/2008-E. II(B) dated 29th August, 2008, with modifications as stated in note (ii) and (iii).
- (ii)* Ministry of Finance has issued orders treating Faridabad, Ghaziabad, Gurgaon and NOIDA at par with "X" class cities for the purpose of HRA. They have, therefore, been included in "X" class cities for the purpose of this Tariff Order. Similarly, Ministry of Finance has also issued orders treating Jalandhar Cantt, Shillong, Goa and Port Blair at par with "Y" class cities for the purpose of HRA. They have, therefore, been included in "Y" class cities for the purpose of this Tariff Order.
- (iii)# Ahmedabad (U/A), Jaipur, Kanpur (U/A) Lucknow (U/A), Nagpur, Pune (U/A) and Surat (U/A), being cities falling under the erstwhile classification of A Class cities, will continue to be treated at par with "X" class cities (erstwhile A-1 Class cities) for the purposes of this Tariff Order.

Note 1. It shall be mandatory for all cable television networks to transmit or retransmit minimum of thirty free to air channels, including channels of Doordarshan required to be transmitted compulsorily under section 8 of the Cable Television Networks (Regulation) Act, 1995 (7 of 1995).

Note 2. In case the services are provided for a part of the month in a particular case, the ceiling indicated under column (2) of Part I or under column (3) of Part II, as the case may be, of the Schedule shall be determined on a pro-rata basis for the period of service provided during that month.

**Schedule III of the Telecommunications (Broadcasting and Cable Services)
Interconnection (fifth Amendment) Regulation, 2009 dated 17th March 2009.**

Terms and conditions which should compulsorily form part of Reference Interconnect Offers for interconnection for the direct to home platform and for other addressable platforms.

Licence Fee	<p>For each month or part thereof during the Term of the agreement, the DTH operator shall pay to _____ (name of the Broadcaster) the Monthly Licence Fee which shall be the Rate multiplied by the Monthly Average Subscriber Level.</p> <p>The a-la-carte and bouquet "Rate" per Subscriber is set out in Annexure to this RIO. The rates mentioned in the Annexure to this RIO, as referred to above, are exclusive of all taxes and levies.</p> <p>The "Monthly Average Subscriber Level" is equal to the sum of the number of subscribers on the first and last day of the month in question divided by two.</p> <p>For the purpose of calculation of the Monthly License Fee payable to _____ (name of the Broadcaster), "Subscriber" means, for any calendar month, each Set Top Box, which is availing the Channel(s) of _____ (name of the Broadcaster) through the DTH operator.</p> <p>Calculation of License Fee:</p> <p>I. In case a DTH operator avails one or more Bouquet(s) of _____ (name of the Broadcaster):</p> <p>(a) If the DTH operator is providing the Bouquet(s) as a whole to its DTH subscribers, the Monthly License Fee for such Bouquet(s) shall be equal to the Bouquet rate as set out in the Anenxure multiplied by the number of monthly average number of subscribers availing the Bouquet(s).</p> <p>(b) if the DTH operator does not offer such opted bouquet(s) as a whole to its direct to home subscriber but offers only certain channels comprised in</p>
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	<p>such bouquet or packages the channels comprised in such opted bouquet in a manner resulting in different subscriber base for different channels comprised in such opted bouquet, then the payment to _____ (name of the Broadcaster) for such entire opted bouquet by the DTH operator, shall be calculated on the basis of subscriber base for the channel which has highest subscriber base amongst the channels comprised in the bouquet.</p> <p>II In case a DTH operator avails one or more or all channels of _____ (name of the Broadcaster) on ala carte rate basis:</p> <p>(a) If the DTH operator is providing the channels on ala carte basis to its DTH subscribers, the Monthly License Fee for such ala carte channels shall be equal to the ala carte rate as set out in the Annexure multiplied by the number of monthly average number of subscribers availing the channels on ala carte basis.</p> <p>(b) if the DTH operator does not offer such opted ala carte channel(s) as ala carte to its direct to home subscriber but offers the ala carte channel (s) in packages, then the payment to _____ (name of the Broadcaster) for each of the ala carte channels, shall be calculated on the basis of subscriber base of the package in which such opted ala carte channel has been placed.</p> <p>III In case a DTH operator avails one or more channels on ala carte rate basis and also opts for different Bouquet(s) not comprising of channels opted on ala carte basis of _____ (name of the Broadcaster):</p> <p>(a) For bouquet(s), the monthly license fee shall be calculated on the basis of sub clause I above.</p> <p>(b) For ala carte channels, the monthly license fee shall be calculated on the basis of sub clause II above.</p> <p>Payment of the License Fee shall be subject to deduction of any withholding tax/ TDS in accordance with the provisions of the Indian Income Tax Act, 1961, as amended from time to time.</p>
Payment Terms	The Monthly Licence Fee shall be paid monthly in arrears within fifteen (15) days of receipt of invoice raised on the basis of report of the DTH operator by _____ (name of the Broadcaster) without any deduction except

deduction of withholding tax/TDS as provided in this RIO.

Within seven days of end of each month, the DTH operator shall provide opening, closing and average number of subscribers for that month, based on which _____ (name of the Broadcaster) shall raise an invoice on the DTH operator. In case the DTH operator fails to send the report within the said period of seven days, _____ (name of the Broadcaster) shall have the right to raise a provisional invoice and the DTH operator shall be under obligation to pay the license fee on the basis of such provisional invoice in accordance with the terms of this clause. However the provisional invoice shall be for an amount not more than the monthly license fee payable by the DTH operator for the immediately preceding month. On receipt of the report from the DTH operator, the parties would conduct reconciliation between the provisional invoice raised by _____ (name of the Broadcaster) and the report sent by the DTH operator.

The DTH operator shall be required to make payments by the Due Date in accordance with the terms hereof, and any failure to do so on the part of the DTH operator shall constitute a material breach hereunder. Late payments shall also attract interest calculated from the date payment was due until the date payment is made in full at a pro rata monthly rate of ____%. The imposition and collection of interest on late payments does not constitute a waiver of the DTH operator's obligation to pay the License Fee by the Due Date, and _____ (name of the Broadcaster) shall retain all of its other rights and remedies under the Agreement.

All Licence Fee payments hereunder are exclusive of all applicable indirect taxes including all and any service taxes, VAT, works contract taxes, customs duties, excise duties, entertainment taxes and other such taxes. All such taxes shall be at DTH operator's cost and will be charged at the prevailing rates by _____ (name of the Broadcaster) to the DTH operator.

If payment of the Licence Fee is subject to deduction of any withholding tax/TDS in accordance with the provisions of the Indian Income Tax Act 1961, as amended, the DTH operator shall provide tax withholding certificates to _____ (name of the Broadcaster) within such period as has been specified in the Income Tax Act/ Rules/ Notifications/ Circulars

	issued thereunder.
Delivery and Security	<p>All _____ (name of the Broadcaster) Channels must be delivered by DTH operator to subscribers in a securely encrypted manner and without any alteration.</p> <p>The uplink specifications, satellite capacity and infrastructure allocated by DTH operator in respect of the broadcast signal of the _____'s (name of the Broadcaster) Channels by DTH operator to its subscribers shall be no worse than that of the broadcast signal of any other channel within the same genre on its DTH platform.</p>
Anti-Piracy	<p>In order to prevent theft, piracy, unauthorized retransmissions, redistribution or exhibition, copying or duplication of any Channel, in whole or in part, (hereinafter collectively referred to as "Piracy"), the DTH operator shall, prior to the commencement of the Term of the agreement and at all times during such Term, employ, maintain, and enforce fully effective conditional access delivery and content protection and security systems, and related physical security and operational procedures (hereinafter collectively referred to as the "Security Systems") as may be specified (security specifications), in a non-discriminatory manner in writing, from time to time, by the _____ (name of the Broadcaster).</p> <p>To ensure the DTH operator's ongoing compliance with the security requirements set out in the Agreement, _____ (name of the Broadcaster) may require technical audits ("Technical Audit(s)") conducted by an independent security technology auditor ("Technical Auditor"), approved by _____ (name of the Broadcaster) in writing no more than twice per year during the Term, at _____ (name of the Broadcaster)'s cost and expense. If the results of any Technical Audit are not found to be satisfactory by either the DTH operator or _____ (name of the Broadcaster), then _____ (name of the Broadcaster) shall work with the DTH Operator in resolving this issue in the next fourteen (14) business days. If a solution is not reached at by then, _____ (name of Broadcaster) may, in its sole discretion, suspend the DTH operator's right to distribute the Channels or take other actions as provided under the Agreement, until such systems, procedures and security measures have been corrected to _____ (name of the Broadcaster)'s satisfaction. DTH operator shall bear the cost and expense of any subsequent</p>

Technical Audit to verify that the systems, procedures and security measures have been corrected by the DTH operator to _____ (name of the Broadcaster)'s satisfaction.

DTH operator shall deploy finger printing mechanisms to detect any piracy, violation of copyright and unauthorized viewing of the Channels, distributed / transmitted through its Platform at least every 10 minutes on 24 x 7 x 365(6) basis.

DTH operator shall not authorize, cause or suffer any portion of any of the Channels to be recorded, duplicated, cablecast, exhibited or otherwise used for any purpose other than for distribution by DTH operator at the time the Channels are made available. If DTH operator becomes aware that any unauthorized third party is recording, duplicating, cablecasting, exhibiting or otherwise using any or all of the Channels for any other purpose, DTH operator shall within ten minutes of so becoming aware of such recording, duplicating, cablecasting, exhibiting or otherwise using any or all of the Channels for any other purpose, notify _____ (name of the Broadcaster) and the DTH operator shall also switch off the concerned Set Top Box to prevent such unauthorized use. However, use of a Set Top Box with Personal Video Recorder/ Digital Video Recorder facility which has been supplied by the DTH operator shall not be treated as unauthorized use, as long as such Set Top Box is used in accordance with the terms and conditions of the subscription agreement between the DTH operator and the subscriber.

If so instructed by Information (as defined below) by _____(name of the Broadcaster), the DTH operator shall shut off or de-authorize the transmission to any unauthorized subscriber/ subscriber indulging in piracy, within ten minutes from the time it receives such instruction from _____ (name of the Broadcaster). Any communication under this clause shall be considered as valid Information only if (i) the information is sent through e mail in a format as mutually agreed by the parties and (ii) the information is sent by a person(s) who is designated to send such information. However the "information" may even be provided by _____ (name of the Broadcaster) representatives through other means of communications such as telephonic message, fax etc and the said "information" shall later be confirmed by _____ (name of the Broadcaster)

	<p>through e mail and the DTH operator shall be under obligation to act upon such information.</p>
<p>Reports</p>	<p>DTH operator will maintain at its own expense a subscriber management system ("SMS") which should be fully integrated with the CAS (Conditional Access System).</p> <p>DTH operator shall provide to _____ (name of the Broadcaster) complete and accurate opening and closing subscriber monthly reports for the _____ (name of the Broadcaster) Channels and the tier and/or package containing the _____ (name of the Broadcaster) Channels within seven (7) days from the end of each month in the format provided by _____ (name of the Broadcaster).</p> <p>Such reports shall specify all information required to calculate the Monthly Average Subscriber Level (including but not limited to the number of Subscribers for each _____ (name of the Broadcaster) Channel and each package in which a _____ (name of the Broadcaster) Channel is included) and the Licence Fees payable to _____ (name of the Broadcaster) and shall be signed and attested by an officer of the DTH operator of a rank not less than Head of Department/Chief Financial Officer who shall certify that all information in the Report is true and correct.</p>
<p>Audit</p>	<p>_____ (name of the Broadcaster)'s representatives shall have the right, not more than twice in a calendar year, to review and / or audit the subscriber management system, conditional access system, other related systems and records of Subscriber Management System of the DTH operator relating to the Channel(s) provided by the broadcaster for the purpose of verifying the amounts properly payable to _____ (name of the Broadcaster) under the Agreement, the information contained in Subscriber Reports and full compliance with the terms and conditions of the Agreement. If such review and or audit reveals that additional fees are payable to _____ (name of the Broadcaster), the DTH operator shall immediately pay such fees, as increased by the</p> <p>Late Payment Interest Rate. If any fees due for any period exceed the fees reported by the DTH operator to be due for such period by two (2) percent or more, DTH operator shall pay all of _____ (name of the Broadcaster)'s</p>

	<p>costs incurred in connection with such review and / or audit, and take any necessary actions to avoid such errors in the future.</p> <p>The DTH operator shall remain the sole owner and holder of all customer databases compiled by the DTH operator under the Agreement.</p> <p>DTH operator will maintain at its own expense a subscriber management system (“SMS”) capable of, at a minimum:</p> <ul style="list-style-type: none"> (i) maintaining a computerised customer database capable of recording adequate details of each Subscriber, including name, address, chosen method of payment and billing; (ii) administering subscriptions of Subscribers by producing and distributing contracts for new Subscribers and setting up and maintaining an infrastructure whereby Subscriber contracts are collected and recorded in the SMS database for ongoing administration; (iii) handling all ongoing administrative functions in relation to Subscribers, including, without limitation, billing and collection of subscription payments, credit control, sales enquiries and handling of complaints; (iv) administering payments of any commission fees from time to time payable to the DTH operator’s authorised agents for the sale to Subscribers of programming packages; (v) obtaining and distributing receivers and smartcards, if applicable, to Subscribers, and issue replacement smartcards from time to time in its discretion; and (vi) enable new Subscribers via the SMS over-the-air addressing system and disable defaulting Subscribers from time to time in its discretion.
Term	<p>AS mutually agreed between _____ (name of the Broadcaster) and the DTH operator subject to a minimum of One (1) Year from the date of signing of the Agreement unless terminated earlier in accordance with the Agreement.</p> <p>The Term of the Agreement may be extended on terms and conditions to be mutually agreed and recorded in writing between the parties.</p>

Termination	<p>Either Party has a right to terminate this Agreement by a written notice, subject to applicable Law, to the other in the event of:</p> <ol style="list-style-type: none"> 1. material breach of this Agreement by the other Party which has not been cured within thirty (30) days of being required in writing to do so; 2. the bankruptcy, insolvency or appointment of receiver over the assets of the other Party; 3. The DTH licence or any other material licence necessary for DTH operator to operate its DTH service being revoked at anytime other than due to the fault of DTH operator. <p>_____ (name of the Broadcaster) shall have the right to terminate this Agreement by a written notice to DTH operator if (i) DTH operator breaches any of the Anti Piracy Requirements and fails to cure such breach within ten (10) days of being required in writing to do so; or</p> <p>(ii) _____ (name of the Broadcaster) discontinues the _____ (name of the Broadcaster) Channels with respect to all distributors in the Territory and provides DTH operator with at least ninety (90) days prior written notice.</p> <p>DTH operator shall have the right to terminate this Agreement on written notice to _____ (name of the Broadcaster) if DTH operator discontinues its DTH business and provides at least ninety (90) days prior written notice.</p>
Jurisdiction	<p>The Governing Law shall be the Indian Law and TDSAT, shall have exclusive jurisdiction in respect of any dispute between the parties, arising out of /in connection with or as a result of the Agreement.</p>

Note: The expression “DTH operator” appearing in the Schedule above shall get replaced by the appropriate nomenclature connoting the addressable platform for which the Reference Interconnect Offer is to be issued by the broadcaster.

(B) BOUQUET RATES

BOUQUET - 1

Channels	Rate to DTH operator (Rs)
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	

BOUQUET 2

Channels	Rate to DTH operator (Rs)
1.	
2.	
3.	
4.	
5.	
6.	

BOUQUET 3

Channels	Rate to DTH operator (Rs)
1.	
2.	
3.	
4.	
5.	

Proposed norms for the Quality of Service and Redressal of Consumer Grievance Regulations for Digital Addressable Cable TV Systems.

1. Procedure for connection, disconnection, reconnection, transfer and shifting.-
 - 1.1 Cable operator TV service provider, offering digital addressable cable TV services shall devise formats of application, for all subscribers to take a set top box, to return a set top box, to seek connection, disconnection , reconnection and to shift or transfer of cable service. Adoption of a common format prescribed, if any, by cable TV service provider would be construed as compliance of the requirement under this clause. Every subscriber whose application has been accepted will be given a unique ID number and this should be built in the Subscriber Management System of the cable TV service provider. [CAS 7]
 - 1.2 The devised format of application, inter alia, must contain the following details:
 - (i) The application form shall be serially numbered and shall be in bilingual mode including one local language. [CAS]
 - (ii) Name, address, telephone numbers, mobile numbers, fax numbers, e-mail address (if any), of the cable TV service provider and the names of contact persons (at least two). [CAS]
 - (iii) Details contained in the Registration Certificate / license obtained under section 4(3) of the Cable and Television Network (Regulation) Act, 1995 (7 of 1995), as amended by the Cable Television Networks (Regulation) Amendment Ordinance, 2011 (3 of 2011) such as date of certificate, the date of expiry of Registration Certificate / license as well as any approval given by the Government of India. [CAS]
 - (iv) Details of Entertainment Tax, Service Tax Registration number, if applicable. [CAS]
 - (v) Details of programming services offered clearly indicating number and names of channels available, bouquets of channels, whether free to air channel or a pay channel, value added services, if any, available. [CAS]
 - (vi) Maximum retail prices of channels in a-la-carte form, bouquet(s) of

⁷ The Standards of Quality of Service (Broadcasting and cable Services) (Cable Television – CAS Areas) Regulation, 2006 dated 23.08.2006

channels along with names of the channels and bouquet(s) of channels offered. [CAS]

- (vii) The application form shall mandatorily contain the details of all the three (03) schemes of supply of Set Top Boxes (STBs) i.e. (1) Hire purchase, (2) Rental and (3) Outright purchase as mandated in the clause 7 of Part-IV of the Telecommunication (Broadcasting and Cable) Services (Fourth) Addressable System) Tariff Order issued on 21st July, 2010 by the Authority. [DTH⁸]
- (viii) The application form should clearly lay down the terms and conditions and in particular contain the following: -
 - (a) Columns for getting basic information about the subscriber such as name, address, telephone/mobile number, etc. All such personal information should be kept confidential. [CAS]
 - (b) Payment terms, indicating the due dates of payment, mode of payment, special discount schemes for lump sum or advance payment, security deposit, refund of security deposit, installation charges showing the refundable component, if any, at the time of surrender of the cable TV service, activation charges, penalty, charging of interest for delayed payment, or any other charge etc. [CAS]
 - (c) option for type of payment plan and the terms and conditions for conversion from one type of payment plan to another.
 - (d) Reasons and grounds on which the application is liable for rejection. [CAS]
 - (e) The application form should facilitate subscribers to indicate location where connection desired, individual channels and or bouquet(s) desired, value added services, if any, required. [CAS]
 - (f) List of documents, including proof of residence, required to be furnished for new connection, re-connection, disconnection and transfer or shifting of connection. [CAS]
 - (g) Procedure for handling complaints either in the application form or separately in the form of booklet / pamphlet indicating

⁸ The Direct to Home Broadcasting Services (Standards of Quality of Service and Redressal of Grievances) Regulations, 2007 dated 31.08.2007 as amended on 12.03.2009

- i) Possible areas /causes of complaint [CAS]
 - ii) Contact details of help desk/Call Centre, Concerned Nodal Officer responsible for redressal of the complaint as prescribed under clause 6 and 8 of these Regulations. [CAS]
 - iii) Procedure to be followed in getting the complaint redressed for each or group of causes or areas of complaint. [CAS]
 - (h) Maintenance / service policy either as a part of the application or as a separate booklet/pamphlet. [CAS]
 - (i) Policy for rebate in case of no signals or disruption in service. [CAS]
 - (j) Obligations of the cable TV service provider to ensure quality of service as stipulated in this regulation. [CAS]
 - (k) Obligations of the subscriber to protect and guard the property of the cable operator placed in the location of the subscriber where programming services have been requested for. [CAS]
 - (l) Technical and non-technical parameters of standards of quality of service prescribed by the Authority. [CAS]
- 1.3 There should be two copies of application form and one will be returned duly acknowledged as having been received by the cable TV service provider.
- 1.4 An application form duly signed and complete in all respects for subscribing to channel(s), bouquet of channels or only for basic service tier, from any subscriber, residing in the area specified in the Registration Certificate/license of the cable TV service provider should be responded to by the cable TV service provider within five (05) working days of receipt of the application form, indicate in writing the deficiencies, shortcomings, if any, in the application and expected date of activation/reactivation of connection. [CAS]
- 1.5 In case, the cable TV service provider finds that it is possible to provide connection, i.e., there is no technical non-feasibility, the activation/reactivation of the connection should be completed within two (02) working days of the completion of the formalities on the part of the subscriber. For the purpose of this clause, the term 'technical non feasibility' would mean and include the following: - [CAS]

- (i) The location where the services required is not accessible or would be accessible at a cost, which the subscriber is not agreeable to bear. **[CAS]**
 - (ii) The location where the services required are accessible but it is not technically feasible to provide the extent of quality of signals as specified in clause 20 of these Regulations. **[CAS]**
 - (iii) The location where the services are required falls outside the jurisdiction of the area for which the cable TV service provider holds a registration certificate/license. **[CAS]**
- 1.6 In case it is not technically feasible to provide cable services in the location where the services are requested by the applicant, he or she should be informed within five (05) working days from the date of receipt of application, indicating the reasons as to why it is technically not feasible to provide service and what the consequences are in terms of quality of signals even if provided despite technical non-feasibility. If possible, the cable TV service provider may inform such applicant of the alternative sources from where cable services can be obtained. **[CAS]**
- 1.7 No request from a subscriber for cable service, at a location which falls within the area for which the cable TV service provider has a valid registration certificate/license to provide cable service, shall be rejected by any cable TV service provider, solely on the ground that the location or the household has been demarcated for any other cable TV service provider authorized to provide cable service in the same area. It is, however, clarified for removal of doubts that this would not preclude a cable TV service provider from rejecting an application on any other explicitly stated grounds of rejection that he can establish. **[CAS]**
- 1.8 The cable TV service provider shall prescribe a procedure for handling requests for transfer and shifting by the subscribers within his network/area of operation. They may lay down different time limits for different situations but it shall however be ensured that the procedure prescribed is such that the subscribers are able to get the services from the cable TV service provider within a maximum of five (05) working days from the date of request for transfer and shifting. **[CAS]**
- 1.9 No cable TV service provider shall disconnect for whatever reason without giving written notice of at least fifteen (15) days clearly indicating a specific

reason of disconnection. The period of fifteen (15) days for the purpose shall be reckoned from the date of receipt of the notice for disconnection by the subscriber. [CAS]

- 1.10 In case signals have to be disrupted for facilitating preventive maintenance, the subscriber should be given a clear notice of at least 3 days, if the disruption is likely to be for one day or less and the notice period shall be 15 days if the disruption is likely to be for more than a day. The cable TV service provider can choose their own method of providing prior notice of possible disruption. [CAS]

2. Discontinuance and Disconnection.-

- 2.1 No charges (other than charges in respect of STB) relating to the period when the services were discontinued by the cable TV service provider on his own or upon the request of the subscriber or for any other reason, or reactivation charges for resumption of such service, shall be payable by any subscriber. [DTH]

Provided that a cable TV service provider may not discontinue the service to a subscriber at the request of such subscriber, if such request for suspension of subscription is for a period which comprises part of a calendar month. [DTH]

Provided that every cable TV service provider shall suspend the service to a subscriber at the request of such subscriber, if such request for suspension of subscription is for a period of a calendar month or multiple of calendar months and the requested period of suspension does not exceed three calendar months. [DTH]

- 2.2 The cable TV service provider should permanently disconnect the Cable TV Service on the written request of the subscriber for permanent disconnection of the cable service from the date specified by the subscriber in his request and no charges thereafter should be payable by the subscriber to the Cable TV service provider for the period after disconnection .

Provided that subscriber gives advance written notice for permanent disconnection prior to 15 days from the date of permanent disconnection.

3. Manual of Practice for subscriber.- [DTH]

- 3.1 Every cable TV service provider shall publish a Manual of Practice containing, among other things, the following information relating to cable TV service, namely: - [DTH]
- a. Details of call centres and Nodal Officers;
 - b. Procedure and benchmarks for redressal of complaints through call centres and through the Nodal Officers, wherever applicable;
 - c. Instructions regarding operations of Set Top Box(STB);
 - d. Rights conferred upon the subscribers under these regulations;
 - e. Duties and obligations of the cable TV service provider.
- 3.2 A copy of the Manual shall be provided by the cable TV service provider or his agent to each subscriber at the time of his subscription for service. [DTH]

Protection of Consumers against change in composition of subscription packages

4. Composition of subscription packages

- 4.1 No change in composition of a subscription package which has been subscribed by a subscriber so as to discontinue exhibition of any particular channel in that subscription package during first six months of enrolment or during the period of validity of subscription paid in advance: - [DTH]
- (a) during the period of six months from the date of enrolment of the subscriber to such subscription package in the case of a subscriber who pays his subscription amounts under such subscription package by making payments periodically to the cable TV service provider; [DTH]
 - (b) during the entire period of validity of the subscription package if the subscription amount in respect of such subscription package has been paid in advance by the subscriber or in instalments as per the offer of the cable TV service provider;---- [DTH]
- if such channel continues to be available on its cable TV network: [DTH]
- 4.2 If any particular channel included in a subscription package which has been

subscribed to by a subscriber subsequently becomes unavailable, cable TV service provider shall reduce the subscription charges for such subscription package on a proportionate basis from the date of discontinuance of the channel till the expiry of a period of six months from the date of enrolment of that subscriber, or till the expiry of the contracted period of subscription for which the amount of subscription has been paid in advance or in instalments as per offer of the cable TV service provider, whichever is later. [DTH]

Provided that, instead of proportionately reducing the subscription charges for such subscription package on account of non-availability of such channel, the cable TV service provider may, at his discretion, introduce in such subscription package another channel of the same genre and language as the channel which has so become unavailable to cable TV service provider from broadcaster. [DTH]

Provided further that the cable TV service provider shall give an option to each one of its subscribers, who have subscribed to such subscription package, an option to choose from the modified subscription package with charges reduced on proportionate basis and the modified subscription package with the removed channel replaced by another channel of the same genre and language, and the subscriber shall be free to exercise the option for the period from the date of discontinuance of the channel from the cable TV service provider till the expiry of a period of six months from the date of enrolment of that subscriber, or till the expiry of the contracted period of subscription for which the amount of subscription has been paid in advance or in instalments as per offer of the cable TV service provider, whichever is later. [DTH]

Explanation: - For the removal of doubts, it is hereby clarified that the amount of reduction on proportionate basis in the subscription charges, on account of removal of a channel from a subscription package, shall be calculated by dividing the amount of subscription charges for the original subscription package by the number of channels included in the original package. [DTH]

4.3 No cable TV service provider shall discontinue exhibition of any channel without giving prior notice of fifteen days to its subscribers subscribing to any subscription package before changing the composition of that subscription package. [DTH]

The notice referred in sub-regulation 4.3 shall be published widely. [DTH]

Nothing contained in sub-regulation 4.3 shall apply in case of discontinuance of

exhibition of any channel caused by natural calamities or reasons beyond control of cable TV service provider. [DTH]

Provisions relating to complaints handling and redressal

5. Establishment of Call Centre

5.1 Every cable TV service provider shall, on or before the date of commencement of these Regulations or before or simultaneously with commencement of its operations, establish one or more Call Centres for the purposes of registering of service requests, answering queries, registering of complaints and redressal of grievances of its subscribers, and such Call Centre shall be accessible to its subscribers round the clock during all days in a week. A facility for automatic recording of complaints or some other mechanism for registering of complaints shall be in place. It may be ensured that the staffs at customer service centre or help desk are qualified and competent enough to handle the requirements of service. [DTH]

5.2 Every cable TV service provider shall earmark or allot or establish basic telephone or cellular mobile telephone number having sufficient lines or connections to be called as the "toll free number" or "consumer care number" or "help line number" or "special number", as the case may be, at its Call Centres, so as to ensure the compliance of the benchmarks as specified in the clause 6.2 & 6.3 of this regulation. [DTH]

5.3 Every cable TV service provider shall ensure that no call charges are levied upon, or payable by its subscriber, for calls made to the "toll free number" or "consumer care number" or "help line number" or special number, as the case may be. [DTH]

5.4 Every cable TV service provider, immediately on establishment of its Call Centre, give wide publicity about such Call Centres. [DTH]

6. Procedure for handling request or complaint by Call Centres: -

6.1 Every cable TV service provider shall ensure that the Call Centres, immediately on receipt of a request or complaint, as the case may be, from its subscriber relating to service, register such requests or queries or complaints of its subscriber by allotting a unique identification number to be called the docket number and inform the same to the subscriber. [DTH]

6.2 Response time to the subscriber for calls answered electronically. [DTH]

(a) Eighty per cent (80%). of calls to be answered within twenty (20) seconds electronically ;

(b) Ninety- five per cent (95%). of calls to be answered within forty (40) seconds electronically.

6.3 Response time to the subscriber for calls answered by operator: - **[DTH]**

(a) Eighty per cent(80%) of calls to be answered (voice to voice) by a person (other than by electronic means) appointed by the cable TV service provider within sixty(60) seconds;

(b) Ninety- five (95%) per cent of calls to be answered (voice to voice) by a person (other than by electronic means) appointed by the cable TV service provider within ninety(90) seconds.

Note: For the purpose of calculating percentage of calls referred in clause 6.3 above, the total number of calls made during a month shall be taken into account.

7. Time limit for redressal of grievance of the subscriber: -

7.1 All complaints shall be attended /responded within eight (8) hours of receipt of complaint, except those received during the night which shall be attended to the next day and satisfaction report obtained from subscriber. Where it is not possible to attend /respond to the complaint within this time limit, the response should indicate the anticipated time for redressal of the complaint. If it is not feasible to comply with the benchmarks indicated hereafter for reasons beyond the control of the cable TV service provider, the reasons for the same shall be communicated to the subscriber, while responding to the complaint. **[CAS]**

7.2 At least ninety percent (90%) of "No Signal" calls received shall be corrected within 24 hours and a satisfaction report obtained from the subscriber. **[CAS]**

7.3 At least ninety percent (90%) of all other types of complaints shall be corrected within 48 hours and a satisfaction report obtained from the subscriber. **[CAS]**

7.4 Subject to any specific provision in this regulation, a system of rebates in the form of discounts to the subscriber due to interruptions on account of no signal or weak signal or disruption of service shall be put in place by the cable TV

service provider and the subscriber should be made aware of the same. [CAS]

7.5 Every cable TV service provider should ensure that the subscriber is made aware of the complaint handling procedure containing details as indicated in clause 9.1 of this regulation. [CAS]

7.6 No complaint referred to in clauses 7.2 and 7.3 shall remain unresolved beyond five (05) days. [DTH]

8. Appointment or designation of Nodal Officer

8.1 Every cable TV service provider shall, on or before the date of commencement of these Regulations or before or simultaneously with commencement of its operations, appoint or designate one or more Nodal Officers in every State in which it is providing its service, as may be considered necessary for the purposes of these regulations: - [DTH]

8.2 Every cable TV service provider, immediately on appointment or designation or change of a Nodal Officer [DTH]

- a. Give wide publicity about appointment or designation of such Nodal Officers or any change thereof;
- b. Display, at its each office, Call Centre, customer care centre, help desk, and, at the sales outlets, website (if any) and at the office of the Nodal Officer, the name of the Nodal Officers, their addresses and telephone numbers, e-mail addresses, facsimile numbers and other means of contacting them.

9. Handling and redressal of grievances of subscribers by Nodal Officers: -

9.1 In case a subscriber is not satisfied with the redressal of his grievance by the Call Centre, such subscriber may approach, by a letter in writing, or through telephone, or web based online filing of complaints or through short message service or through other electronic means or any other means, the Nodal Officer of the cable TV service provider for redressal of his grievance: [DTH]

Provided that a subscriber may, in emergent situation, approach at the first instance a Nodal Officer instead of a Call Centre and the Nodal Officer shall redress the grievance.

9.2 Every Nodal Officer shall: - [DTH]

- a. be accessible to the subscribers at the address publicized, as required by clause 8.2 of regulation;
- b. register every complaint lodged by the subscriber;
- c. issue an acknowledgement to the concerned subscriber within three (03) days from date of the receipt of the complaint indicating there in the unique complaint number;
- d. intimate, within the time limit specified in clause 9.3 of regulation, the decision taken in respect of such complaint, to the subscriber, immediately after taking the remedial measure for redressal of the grievance.

9.3 Time limit for redressal of complaints by Nodal Officer: - The Nodal Officer shall resolve or redress the complaints of the subscriber within ten (10) days of the registration of the complaint. [DTH]

10. Complaints forwarded to cable TV service provider by Authority:- -

10.1 The Authority may, without prejudice to the provisions contained in the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), forward the complaint to the cable TV service provider for redressal the complaints-- [DTH]

- a. Being the complaints, alleging violation of the Act or regulations made or directions issued or orders made by it under the Act;
- b. Being the complaints of the subscriber which are generic in nature;
- c. Being the complaints, alleging the practices adopted by cable TV service provider adversely affecting the interest of the subscribers.

10.2 The cable TV service provider shall resolve or redress such complaints within fifteen (15) days from the date of forwarding of the complaints by the Authority. [DTH]

10.3 The cable TV service provider shall inform the concerned subscriber and the Authority regarding resolution or redressal of the complaint within thirty (30) days from the date of forwarding of the complaints under sub-regulation (10.1). [DTH]

11. Maintenance of records of complaints

11.1 A cable TV service provider shall maintain records of all complaints filed by the subscriber with them. The records shall include name and address of complainant, date and time of filing complaint, type of complaint and redressal date and time with the written confirmation from the subscriber that the complaint has been redressed. The records shall be kept till the expiry of three (03) months from the date of resolution of a complaint. The cable TV service provider shall present the records whenever called upon by the Authority or the authorised officer, as defined under The Cable Television Network (Regulation) Act, 1995 (7 of 1995) as amended. [CAS]

Set Top Box (STB) related issues

12. Option to provide STB on outright purchase or hire purchase or rent.-

12.1 Every cable TV service provider shall give all the three options ,namely,(1) on outright purchase basis (2) on hire purchase basis and (3)on rental basis, to every person making request under regulation 1.1 to make available to him, the STB conforming to the Indian Standard set by the Bureau of Indian Standards as applicable--- [DTH]

(a) in accordance with the scheme, if any, made by the Authority in this behalf;

(b) in case no such scheme as referred to in clause (a) has been made by the Authority, then in accordance with the schemes made by the cable TV service provider in this behalf and such schemes shall, inter alia, provide for the following, namely:-

(i) the period of hire-purchase together with the details of instalments;

(ii) no charges payable towards repair and maintenance of STB acquired under the hire purchase scheme or On rental scheme during the period of hire purchase or rental scheme;

Provided that this sub-regulation shall not apply to cases where it is found that the STB has been tampered with;

(iii) the terms and conditions for return of STB by a subscriber to the cable TV

service provider, before completion of period of hire purchase;

(iv) refund of security deposit or advance payments, if any, after appropriate and reasonable adjustments in case of return of STB by a subscriber to the cable TV service provider:

Provided that, in case the STB to any subscriber before the commencement of these regulations does not conform to the Indian Standard set by the Bureau of Indian Standards as applicable, the cable TV service provider shall, within seven (07) days of commencement of these regulations, replace, without any extra charge, the STB made available before such commencement with the STB conforming to the Indian Standard set by the Bureau of Indian Standards as applicable. **[DTH]**

12.2 Every cable TV service provider shall provide a warranty in respect of STB which has been acquired by a subscriber on outright purchase basis from such cable TV service provider. **[DTH]**

The subscribers who have acquired the STB on outright purchase basis shall not be required to pay any sum as charges -----

(a) for repair and maintenance of the STB; or

(b) for visiting the premises of such subscriber for the purpose of carrying out repair and maintenance of STB -----

during the period of validity of such warranty.”

12.3 In cases where there is a malfunction of a set top box supplied, by a cable TV service provider, the cable TV service operator, shall arrange for repair or replacement, as the case may be, within 24 hours of receipt of the complaint of malfunctioning. The cable TV service provider shall provide replacement of faulty STB and repair & maintenance of STB acquired under hire purchase scheme or on rental scheme without any payment. **[DTH]**

Provided that this sub-regulation (12.3) shall not apply to cases where it is found that the Set Top Box (STB) Equipment has been tampered with;

12.4 In cases where a customer chooses to return a Set Top Box (STB) to the Cable TV service provider, before completion of period of hire purchase or rental, security deposit or advance payments, if any, are to be refunded to the subscriber within seven (07) days of the receipt of application for returning the STB, after appropriate and reasonable adjustment towards depreciation (not exceeding 25% for each half year or part of it). This clause shall 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 TV service

provider shall inform the subscribers within seven (07) days about their decision in the matter. [DTH]

12.5 Information to be provided by the cable TV service provider shall: - [CAS]

- i) facilitate availability of information regarding the contact addresses, telephone numbers, contact persons where the Set Top Boxes which are compliant with the Bureau of Indian Standards (BIS) can be purchased on outright purchase basis or hire purchase basis or on rent;
- ii) publicize the schemes available for purchase or lease of BIS compliant Set Top Boxes with their salient features under the various schemes. Any scheme prescribed by the Authority as regards pricing and /or renting of set top boxes shall also be publicized.
- iii) make available a manual or pamphlet setting out instructions as far as possible in an easy to understand language by a non-technical person for operating the set top box. This can be supplemented by providing information through the in-house channel or by suitably running a scroll on the screen.

12.6 In case the installation and activation of the set top box is delayed beyond two working days of the completion of all formalities required by the subscriber, the cable operator/MSO shall, in the monthly subscription give a rebate of Rs 15 per day for the first 5 days and Rs 10 per day for the subsequent period. [CAS]

12.7 In case the subscriber does not owe any dues including any arrear towards installments of hire purchase scheme or arrears of rent for the STB of such cable TV service provider, such cable TV service provider shall not disable the Set Top Box of such subscriber who does not intend to continue to opt or avail services offered by such operator and uses or intends to use the STB for viewing the service of any other cable TV service provider. [DTH]

Provision relating to Billing

13. Billing for subscribers: -

These issues have been described separately in Chapter IV of this consultation paper and the stipulations regarding the same would be put in place, based on the outcome of the consultation process.

Miscellaneous

14. Identification of personnel of cable TV service provider: -

14.1 Every cable TV service provider shall ensure that its representatives carry proper identification along with a photograph duly certified by such service provider and exhibit the same as proof of identity to the subscriber. [DTH]

15. Inspection and Auditing: -

15.1 Every cable TV service provider shall maintain for at least a period of one year the complete and accurate records of redressal of grievances of the subscribers by its Call Centres and Nodal Officers. [DTH]

15.2 The Authority may, if it considers it expedient so to do, and to ensure compliance of the provisions of these regulations, by order in writing, direct any of its officers or employees or through one or more persons appointed by the Authority to inspect any Call Centre and office of the Nodal Officer and the records maintained under sub-regulation (15.1), and submit to the Authority a report in respect of such inspection. [DTH]

15.3 The Authority, if it considers it expedient so to do, may require the cable TV service provider to-- [DTH]

- a. get the records maintained under sub-regulation (15.1) audited through one or more officers or persons appointed by the Authority and submit the report in respect of such audit to the Authority;
- b. get the records maintained under sub-regulation (15.1) audited through an independent agency as may be specified by the Authority and submit the report in respect of such audit to the Authority.

15.4 The cost of the audit under clause (b) of sub-regulation (15.3) shall be borne by the concerned cable TV service provider. [DTH]

16. Application of other laws not barred: -

16.1 The provisions of these regulations shall be in addition to, and not in derogation of, any other law for the time being in force. [DTH]

17. Right of subscriber to seek redressal under the Consumer Protection Act, 1986 or any other law for the time being in force: -

17.1 The provisions of these regulations are in addition to any right conferred upon

the subscribers under the Consumer Protection Act, 1986(68 of 1986) or any other law for the time being in force. [DTH]

17.2 Any subscriber may, at any time,-- [DTH] during pendency of redressal of his grievance under these regulations; or before filing of complaint under these regulations, exercise his right conferred upon him under the Consumer Protection Act, 1986(68 of 1986) or any other law for the time being in force and seek redressal of his grievance under that Act.

18. Monitoring of performance of quality of service standards: -

The Authority may, from time to time, issue directions, orders requiring service providers to furnish information in such form and at such intervals as may be required for the purpose of monitoring the performance of quality of service standards. [CAS]

19. Public awareness campaign: -

19.1 Every Cable TV service provider who has been registered/licensed under sub rule - of rule -- of Cable Television Networks (--- Amendment) Rules -----, to provide cable services, shall conduct a public awareness campaign about the salient features of the provisions contained in these regulations. The public awareness campaign shall start from a date as may be specified through a direction by the Authority. [CAS]

20. Technical Standards:-

The cable TV service providers shall match the technical standards set by the BIS, from time to time, for Digital Addressable cable Television Systems. [CAS]

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