

TELECOM REGULATORY AUTHORITY OF INDIA
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**Consultation Paper on Revenue Sharing Formula for Service Providers in
CAS Notified Areas**

TRAI has today released a Consultation Paper on Revenue Sharing Formula for Service Providers in CAS Notified Areas. The issues raised in the Consultation Paper arise from the order of TDSAT on January 8, 2007 on an appeal filed by M/s. Siti Cable Network Ltd. (Appeal No. 11(C)) challenging the standard interconnection agreement between multi system operators (MSOs) and cable operators for CAS areas. M/s. Siti Cable Network Ltd. had filed the appeal against Telecom Regulatory Authority of India for the following relief: -

- (a) to quash and set aside the Regulation dated 24.8.2006 of the TRAI to the extent it provides/ stipulates that the entire Basic Service Tier fee is to be retained by the Cable operator and that no share from that fee is payable by the Cable operator to the multi system operator (MSO); and
- (b) to direct the Telecom Regulatory Authority of India to undertake a specific exercise of determining the ratio of revenue share for the Basic Service Tier Fee – to be divided/ shared between the MSO and the affiliate cable operators – having regard to the relevant factors such as infrastructural and running costs etc. being deployed by the MSOs for providing signals of Basic Tier Channels to the affiliate cable operators.

Apart from the relief mentioned above, M/s. Siti Cable Network Ltd. also sought interim relief by way of an order staying the operation of the relevant portion of the Regulations/ direction dated 24.8.2006 during the pendency of the appeal.

- 2. The issues posed for Consultation are the following.
 - i) **What should be the share of multi system operators (MSOs) and cable operators out of subscription charges for basic service**

tier? The basis for arriving at the distribution proposed should also be given.

- ii) **What should be the share of multi system operators (MSOs) and cable operators out of 55% of subscription charges for pay channels available for distribution (45% of the subscription charges for pay channels are payable to broadcasters)? The basis for arriving at the distribution proposed should also be given.**
- iii) **What should be the share of multi system operators (MSOs) and cable operators out of carriage fee? The basis for arriving at the distribution proposed should also be given.**

3. The Consultation Paper has been issued to enable all the stake-holders to send their views and comments on these issues to TRAI. The gist of the comments received will be posted on TRAI's website. The full text of the Consultation Paper as well as a copy of the appeal filed by M/s Siticable in the TDSAT is available on TRAI's website (www.traigov.in). The last date for sending comments is February 5, 2007.

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