



Telecom Regulatory Authority of India
Consultation Paper
on
Issues related to Tariff for Cable TV services
in
CAS notified Areas

New Delhi
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Preface

Mandatory Conditional Access System (CAS) for cable TV services in India started in September 2003 in Chennai. At that time there was no tariff regulatory framework for cable TV services. Mandatory CAS in parts of three other metros of Delhi, Mumbai and Kolkata started w.e.f. 31st December 2006. TRAI prescribed the regulatory framework for cable TV service in CAS notified areas by issuing a Tariff Order for CAS notified areas and also making an amendment in the Interconnection Regulation in August 2006. Amended Interconnection Regulation provides for revenue share arrangement between the service providers. Subsequently, Tariff Order for CAS notified areas was amended on 26th December 2008 for providing an inflation linked increase with effect from 1st January 2009.

TRAI is issuing this consultation paper with the objective of reviewing the tariff framework for cable TV services in CAS notified areas. The issues which have been raised in this consultation paper are for the purpose of discussion. As is the practice, views of the Authority will be finalized after receiving comments of the stakeholders.

It is hoped that stakeholders will benefit us with their detailed views before 5th May, 2010. Comments will be posted on TRAI's website as and when they are received. Counter comments, if any, to the comments received may be sent to TRAI by 12th May 2010. The comments may please be furnished to Secretary, TRAI preferably in electronic form. (Email: traicable@yahoo.co.in or bcsc@traigov.in). The fax numbers of TRAI are 011-23220442/ 011-23213294.

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Chairman, TRAI

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Chapter 1

Introduction

- 1.1 The introduction of conditional access system (CAS) in India started with the amendment of Cable Television Networks (Regulation) Act, 1995 in 2002 with the insertion of Section 4A on “Transmission of programmes through addressable system”[popularly referred to as Conditional Access System (CAS)]. A Notification dated 14th January 2003 was issued by the Ministry of Information and Broadcasting, making it obligatory for every cable operator to transmit/re-transmit programmes of every pay channel through an addressable system in Chennai Metropolitan area, Municipal Council of Greater Mumbai area, Kolkata Metropolitan area and National Capital Territory of Delhi within six months from 15th day of January, 2003. Subsequently vide Notification dated 10th July, 2003 the date of implementation was deferred and fixed as six months from 1st March, 2003 and the areas of NCT of Delhi, Kolkata, Mumbai to be covered by CAS, besides Chennai were also specified. However, the CAS was rolled out only in Chennai.
- 1.2 On a petition filed by a group of Multi System Operators (MSOs), Hon’ble High Court of Delhi on 10.3.2006 had directed that Conditional Access System (CAS) be implemented in the notified areas of three Metros of Mumbai, Kolkata and Delhi. Further, the Hon’ble High Court of Delhi had passed an order on July 20, 2006 according to which CAS has to be implemented in the notified areas of the three cities of Delhi, Mumbai and Kolkata by December 31, 2006. In pursuance of these orders, the Government of India had issued a notification no. S.O. 1231(E) on 31.7.2006 according to which CAS was mandated in the notified areas of these 3 cities by December 31, 2006. CAS was already in place in Chennai since September 2003.
- 1.3 For roll out of CAS, TRAI had issued “The Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff Order 2006” on 31st August 2006

and 'The Telecommunication (Broadcasting and Cable Services) Interconnection (Second Amendment) Regulation, 2006" on 24th August 2006.

- 1.4 In the explanatory memorandum to the Tariff Order dated 31st August 2006, it was indicated that the Authority would closely monitor the developments in the market and as the level of competition increases a review of the tariff regime would be considered. More than three years have passed since the CAS was rolled out in parts of three metros and whole of Chennai with this regulatory framework. Accordingly the Authority has decided to review the tariff for cable TV services in CAS notified areas.
- 1.5 The present consultation paper intends to seek the views of the stakeholders on issues relating to the tariff for cable TV services in CAS notified areas in India. After an introduction in this chapter, Chapter 2 presents the extant regulatory provisions as applicable to cable TV services in CAS areas. Chapter 3 contains the discussions on tariff aspects that need consultation with the stakeholders. Chapter 4 summarises the issues posed for the consultation. Relevant annexures have been compiled for ready reference as a part of this consultation paper.

Chapter2

CAS and the Extant Regulations

- 2.1. Conditional Access System (CAS) or Addressable System is a description normally used for a set of hardware devices and connected software (including a set top box) used at different stages of distribution of a TV channel through which normally the pay channels are transmitted in encrypted form. The subscriber is given an authorization depending upon his request to view one or more of such encrypted pay channels of his choice. The subscriber will pay for those pay channels which he or she has chosen to view in such a system.
- 2.2. "CAS area" means area or area(s) in which as per notification issued by the Government of India under The Cable Television Networks (Regulation) Act 1995, it is obligatory for every multi system operator/cable operator to transmit or retransmit programmes of any pay channel through an addressable system. This in effect means that the pay channels in that area will be encrypted and for viewing the pay channels, a subscriber will have to have a Set Top Box. Currently CAS has been made applicable to entire Chennai Metropolitan Area and in certain parts of Delhi, Mumbai, and Kolkata.
- 2.3. Tariff for cable TV services in CAS notified areas is governed by "The Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff Order 2006" as amended. The tariff order basically provides for (i) the rates of basic service tier consisting of a minimum of thirty free to air channels (ii) maximum retail price of pay channel which a MSO or cable operator can charge from a subscriber and (iii) Schemes for supply of Set Top Box (STB). For watching free to air channels of basic service tier, STB is not required.
- 2.4. The present ceiling on basic service tier consisting of a minimum of thirty free to air channels is Rs.82/- (excluding taxes). The ceiling on maximum retail price of

pay channel which a MSO or cable operator can charge from a subscriber is Rs.5.35/- (excluding taxes). As per the tariff order, it is mandatory for a MSO to offer two rental schemes to the subscribers for supply of STB. In the first scheme a security deposit of Rs.200 with a monthly rental of Rs.34/- has been prescribed. Second scheme provides for a security deposit of Rs.750/- with a monthly rental of Rs.22/-.

2.5. Tariff order also provides that the pay channels will be compulsorily offered on a-la-carte basis to the subscribers. A pay channel is to be subscribed for a minimum period of four months by the subscriber.

2.6. 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.

Analysis of CAS implementation

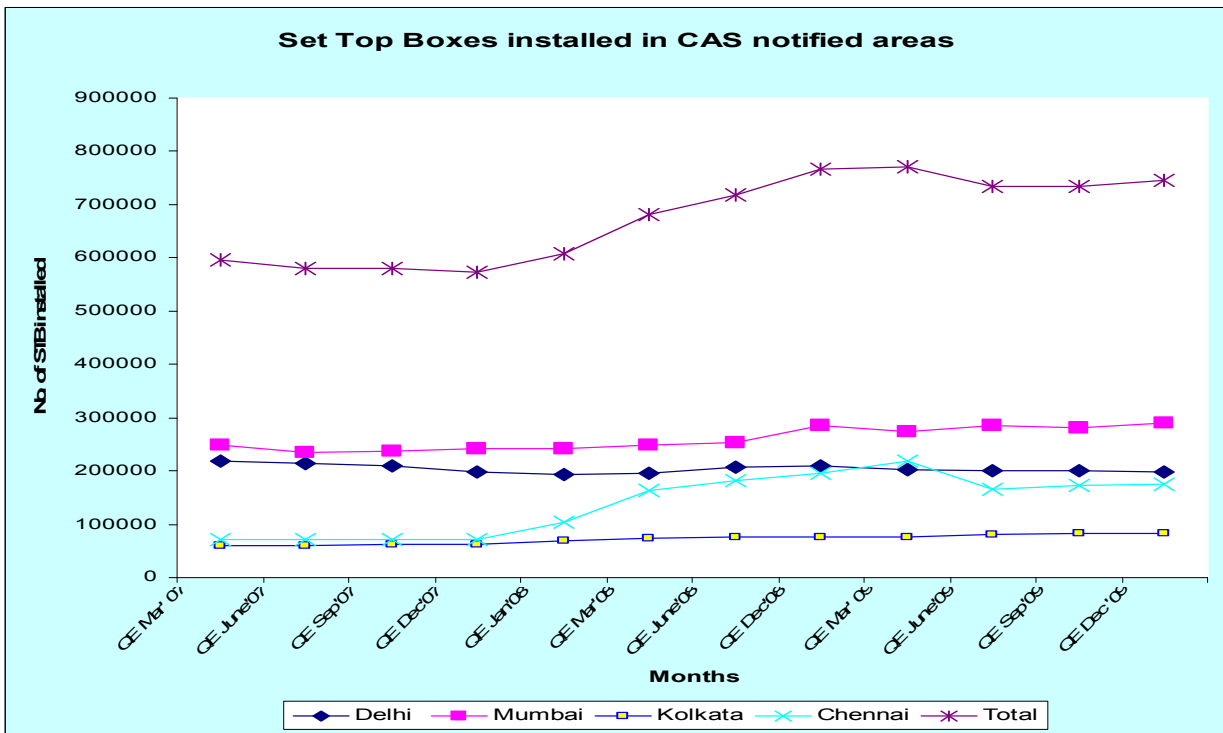
2.7. MSOs in the CAS notified areas were asked to submit quarterly reports on subscriber choice of channels (bouquet or a-la-carte or FTA); number of pay channels opted by the subscribers and preference of subscribers for STB schemes. Information supplied by MSOs on these issues has been compiled and analysed. For the purpose of analysis, the information regarding subscribers who have opted for STB has only been taken. As discussed earlier, subscribers in the CAS notified areas are not required to have STB for viewing the basic service tier of FTA channels.

2.8. Growth of subscribers with STB: Based on the information supplied by the MSOs, since the introduction of CAS in four metro cities the growth of subscribers with STB is as under.

Number of Set Top Boxes Installed in CAS notified areas of Four Metros

Quarter Ending	Delhi	Mumbai	Kolkata	Chennai	Total
Mar' 07	219586	247756	58911	71000	597253
June'07	214358	234374	59425	71000	579157
Sep'07	210483	238052	61111	71000	580646
Dec'07	197306	242093	62307	71000	572706
Jan'08	193715	241700	68058	104415	607888
Mar'08	195380	247797	74296	164177	681650
June'08	207595	252394	75474	182259	717722
Dec'08	208461	286335	76410	196410	767616
Mar' 09	202512	273084	76310	218147	770053
June'09	200337	285427	81307	166604	733675
Sep'09	199335	280768	81752	172161	734016
Dec '09	198016	290939	82879	174119	745953

Note: The number of Set Top boxes installed in the Chennai CAS notified areas during the quarter from March 2007 to December 2009 is approximate figures.

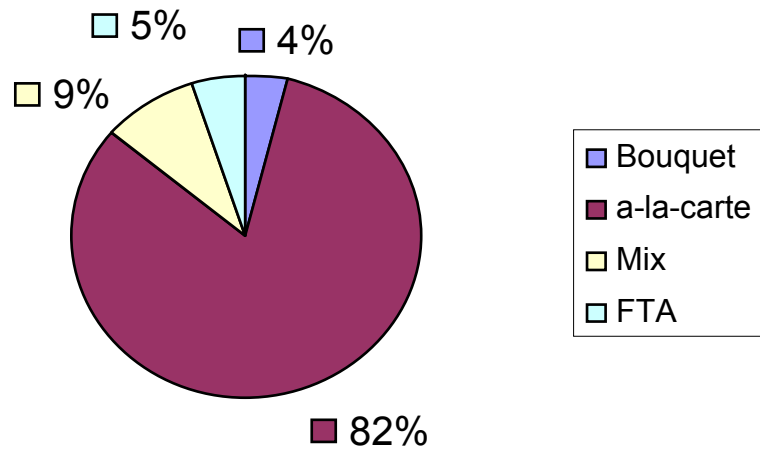


2.9. Choice of Channels: Generally it is observed that the subscribers preferred to have a-la-carte choice of channels. It is pertinent to mention here that in some cases like Chennai the popular regional channels are FTA. However, these channels are pay channels in non-CAS areas and other CAS notified areas.

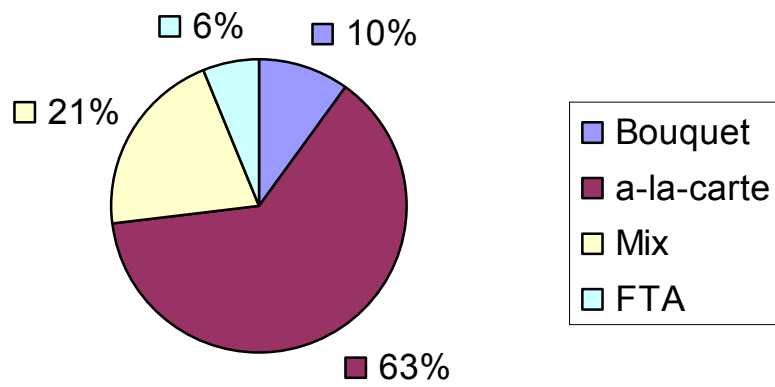
Percentage of subscribers opting for bouquet, a-la-carte, mix and only FTA

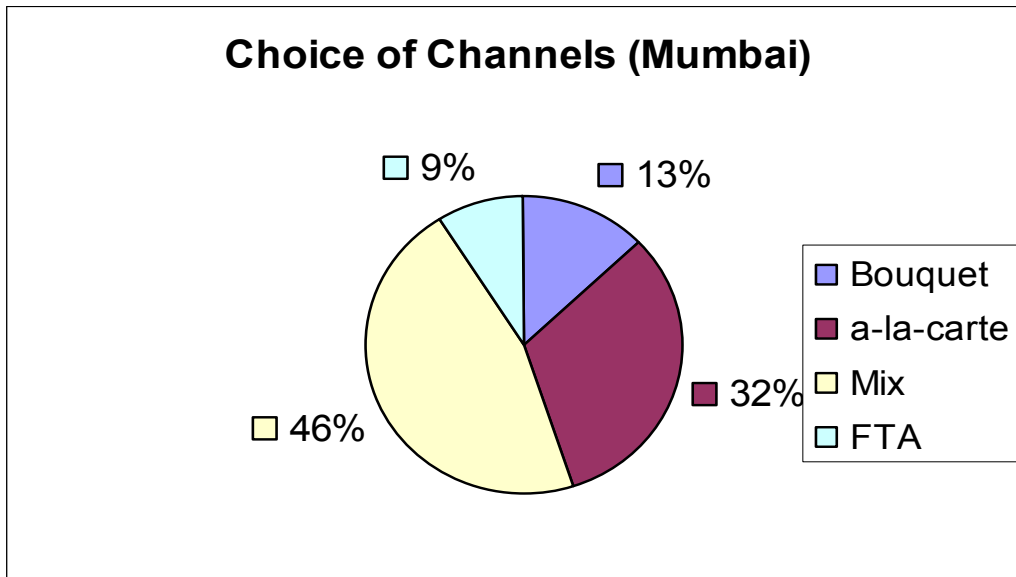
Channel choice	Delhi	Mumbai	Kolkata
Bouquet	4	13	10
a-la-carte	82	32	63
Mix (Bouquet with a-la-carte channels)	9	46	21
FTA	5	9	6

Choice of Channels (Delhi)



Choice of Channels (Kolkata)



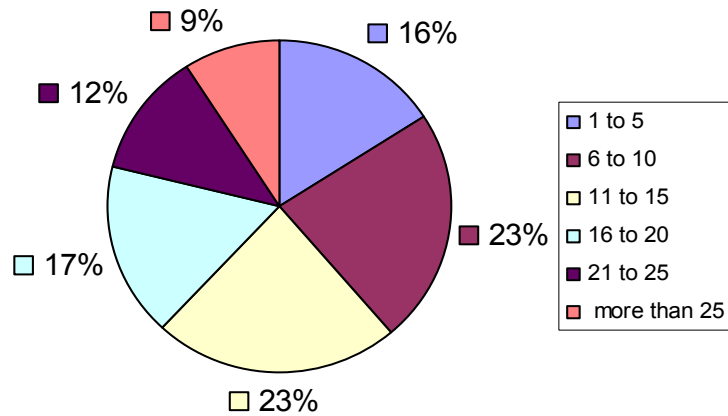


2.10. Number of pay channels subscribed: From the data given below it can be seen that in Delhi and Kolkata, majority of the subscribers are subscribing for 6-15 channels, whereas in Mumbai the majority of the subscribers are going in for upto 10 pay channels. In the case of Chennai, the majority is opting for only upto 5 pay channels since as mentioned above the popular regional channels are FTA.

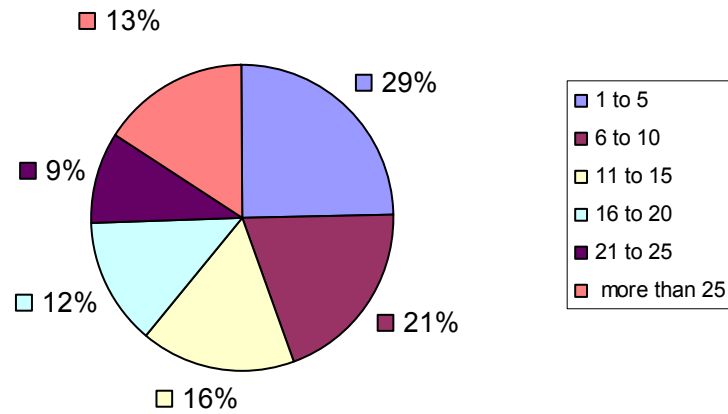
Number of Pay channels subscribed (in Percentage)

% age of Subscribers in → No of Channels ↓	Delhi	Mumbai	Kolkata	Chennai
1 to 5	16	29	18	68
6 to 10	23	21	25	21
11 to 15	23	16	24	7
16 to 20	17	12	11	3
21 to 25	12	9	6	1
more than 25	9	13	16	-

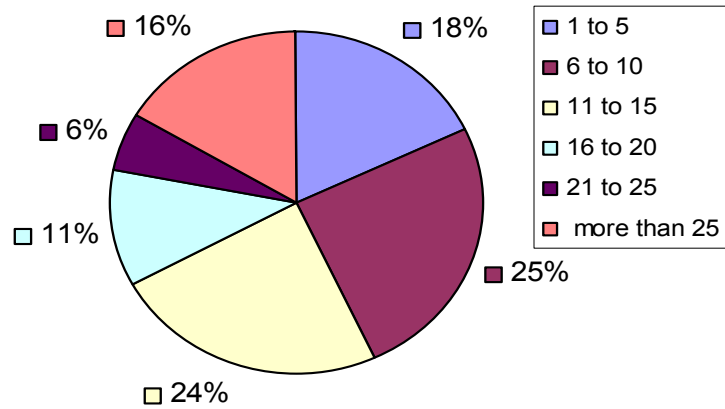
Number of pay channels subscribed (Delhi)

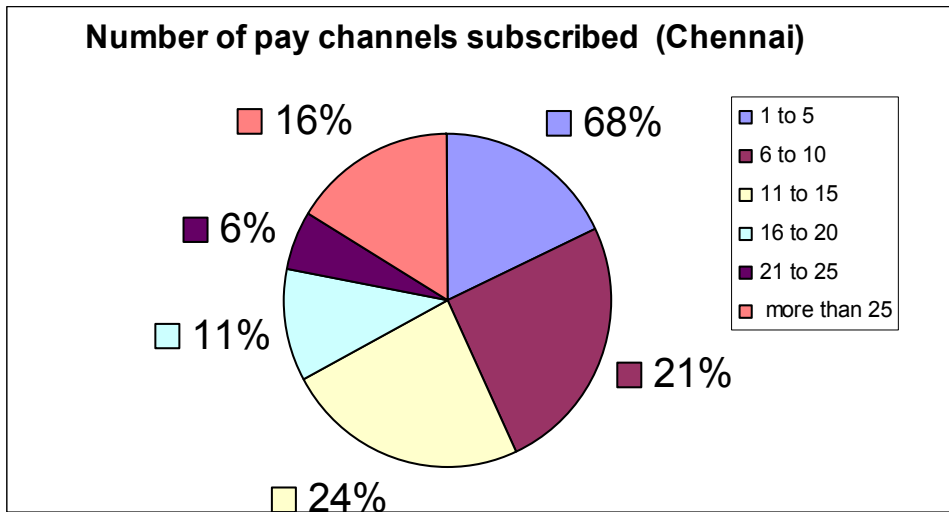


Number of pay channels subscribed (Mumbai)



Number of pay channels subscribed (Kolkata)



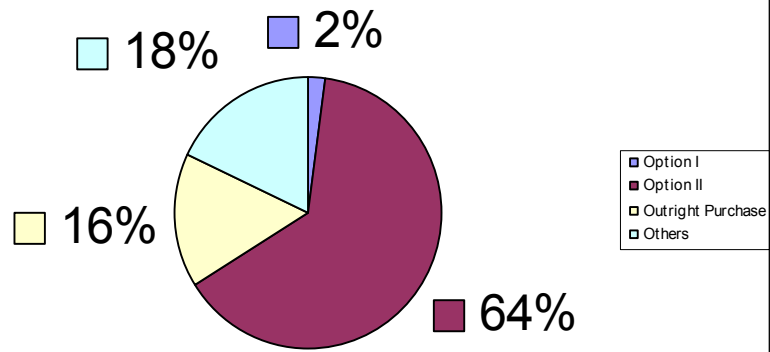


2.11. Acquisition of STB: Majority of the subscribers in Delhi have opted for option-II (Table given below) of standard tariff package i.e. the one with lower security deposit. In the case of Mumbai and Kolkata majority has gone for outright purchase probably because the STBs were sold at highly competitive rates.

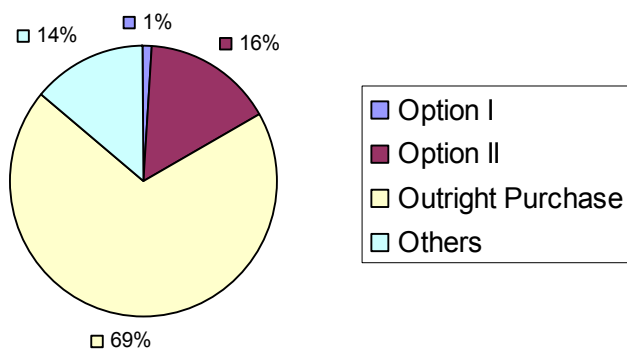
Acquisition of STB by different schemes (in Percentage)

STP Scheme	Delhi	Mumbai	Kolkata
By Option I	2	1	6
Option II	64	16	38
By Outright purchase	16	69	55
By Other scheme	18	14	1

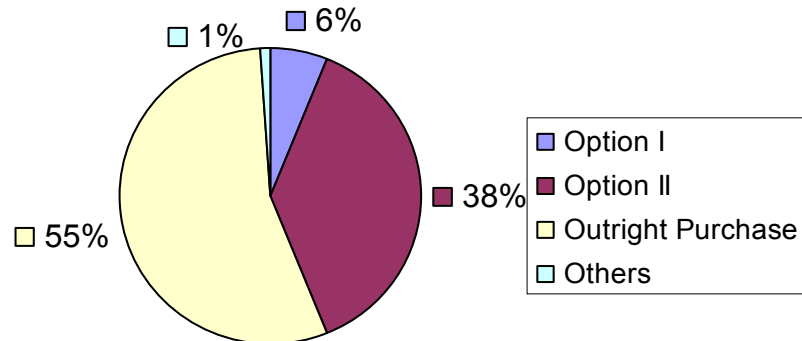
Acquisition of Set Top Box (STB)- Delhi



Acquisition of Set Top Box (STB) - Mumbai



Acquisition of Set Top Box (STB)- Kolkata



Chapter 3

Issues for Consultation

- 3.1 Satellite TV channels are available to the subscribers in India through Cable, DTH and IPTV platforms. Further, on cable platform there are analogue, non-addressable (Non-CAS) and digital, addressable (CAS) system. Government of India has notified parts of three metros of Delhi, Mumbai and Kolkata; and whole of Chennai as CAS notified areas. Rest of the country falls under non-CAS area. In CAS notified areas pay channels are required to be encrypted and supplied through STB, whereas FTA channels can be supplied without STB. There is a segment of subscribers who have opted to view only FTA channels without STB. In the non-CAS area some MSOs claim that they are voluntarily providing CAS digital services. However, it is learnt that even though the subscribers in such cases get the digital signals through STB, the choice of channels generally is not available to the subscribers. So in practical terms it is voluntary digitization only.
- 3.2 The existing tariff structure for the different supply chain is briefly as follows. Tariff for cable TV services in non-CAS area is regulated both at wholesale as well as retail level. For DTH services, broadcasters supply channels at 50% of the rates in non-CAS areas, for the channels which are part of basic package of DTH service providers. Retail tariff for DTH subscribers is under forbearance. Similar dispensation is available for IPTV services also. As already indicated in chapter 2, the wholesale as well as retail tariff for cable TV services in CAS areas is regulated.
- 3.3 While regulating the tariff for different delivery platforms, first issue to be considered is the regulatory framework to be followed. One view can be that similar framework should be followed for similar delivery platforms irrespective of the technology used. In such a scenario there would be two broad regulatory

frameworks - one for analogue non-addressable and another for digital addressable systems.

3.4 A counter point of view could be that the services offered to subscribers by all digital addressable platforms are not the same. For example, a-la-carte facility to subscribers is available in CAS areas whereas the same is not provided in case of DTH as on date. Moreover, CAS is mandated for cable TV services in the notified areas.

3.5 Further, there can be a view that regulatory framework should also take into account the number of entities in the distribution chain and their distribution margins. However, the number of entities in the supply chain should not have impact on the retail tariff to be paid by the subscribers.

3.6 In view of above the issues for consultation are;

1. **Should there be only two broad tariff regulatory frameworks, one for analogue non-addressable (Non-CAS) and another for digital addressable systems.**
2. **If yes, should such a framework be same for wholesale and retail.**
3. **If no, why it should be different?**

- 3.7 This being a consultation focused on tariff for cable TV services in CAS areas; let us now look at various features of existing tariff regulatory framework and some possible alternatives.
- 3.8 The existing tariff regulatory framework for CAS notified areas has four parts. They are (i) issues relating to tariff for basic service tier (ii) maximum retail price for a pay channel (iii) tariff options for supply of STB (iv) issues relating to revenue share arrangement between service providers i.e. broadcaster, MSO and the local cable operator. Copy of “The Telecommunication (Broadcasting and Cable) Services (Third) (CAS) Tariff Order, 2006 dated 31st August 2006 is at Annexure-I.

I. Basic Service Tier

- 3.9 As per the existing tariff order “basic service tier” means a package of free-to-air channels provided by a 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. Basic service tier is to have a minimum of 30 free to air (FTA) channels. As on date, the cable operator can charge a maximum of Rs.82/- per month per subscriber for providing the basic service tier. More than 30 FTA channels can be made available to the subscribers within this ceiling (Rs.82/-). However, STB is not required by a subscriber to view the FTA channels forming part of basic service tier.
- 3.10 Section 4A of the Cable Television Network (Regulation) Act 1995 provides that the Central Government by notification in the Official Gazette may make it obligatory for every cable operators in a particular city, town or State to transmit or retransmit programme of any pay channel through an addressable system with effect from such date as notified in the notification. Section 4A of the said Act further provides that programmes of basic service tier shall be receivable by

any subscriber on the receiver set (television) without any addressable system (STB) attached to the receiver set. Copy of Section 4A of Cable Television Network (Regulation) Act 1995 is at Annexure-II.

- 3.11 Roll out of CAS in parts of three metros and whole of Chennai shows that around 40% of subscribers in Delhi and Mumbai have opted for STB. Whereas in Kolkata and Chennai this percentage is in the range of 15-20%. The reason could be that most of the popular regional channels are FTA in Chennai. Using STB has many advantages as the medium will be converted to digital. So even if it is used only for viewing FTA channels more number of channels can be viewed by using STB. Analysis of the reports submitted by the MSOs operating in the CAS notified areas indicate that usually 50-60 FTA channels are available without STB and 120-140 FTA channels are available with STB. Another advantage of using STB is that, being digital the quality of reception of TV channels will be better, be it FTA or pay. In the digital system the possibility of interference from terrestrial channels is ruled out. Further, usage of STB will bring in addressability in the system. All the service providers in the value chain will be able to know the number of subscribers for each channel.
- 3.12 There is a view that the cable TV services should be provided using STB only i.e. all subscribers should have STB for receiving the cable TV services. Such an arrangement, as discussed above would improve the quality of reception, receive more number of channels and determine the exact number of subscribers. It will bring in transparency in financial transaction across the supply chain. Also, this will be effective in preventing piracy of signals. The lack of transparency and absence of relevant business information leads to frequent disputes between stakeholders. Above all, the usage of STB will achieve the larger goal of digitization with addressability. This issue has been discussed in detail in the consultation paper issued on 25th March 2010 on issues relating to tariff for cable TV services in non-CAS areas. The possible argument against mandating usage of STB could be the financial implication to the subscriber, as every subscriber is compulsorily required to have a STB.

- 3.13 However, if use of STB is to be made mandatory (even for FTA channels) in CAS notified areas, then it would require an amendment in Section 4A of Cable Television Networks (Regulation) Act 1995, since the present provisions prescribe that programmes of basic service tier shall be receivable without STB.
- 3.14 The other issue relating to basic service tier is the tariff for availing the basic service tier. While fixing a ceiling of Rs.77/- (excluding taxes) for basic service tier in the year 2006, the Authority has taken into account the Government of India notification no. S.O. 503(E) dated May 7, 2003 vide which a ceiling rate of Rs.72/- per month per subscriber was fixed for the basic service tier under the Cable Television Networks (Regulation) Act, 1995. While fixing the ceiling of Rs.72/-, Ministry of finance has done a complex cost based exercise. After taking into account an inflation of 7% (Rs.5/-), a ceiling of Rs.77 (72+5) was fixed for basic service tier. This ceiling of Rs.77/- (excluding taxes) was further enhanced to Rs.82/- w.e.f. 1st January 2009 through another inflation linked adjustment of 7% (7% of 77=5). Copy of the tariff amendment order dated 26th December 2008 which provides the 7% inflation lined increase is at Annexure-III. Now the issue for consideration is how the tariff for basic service tier is to be decided. One view could be that as done in the past an inflation linked increase should be permitted on periodic basis.
- 3.15 Another view could be that with the entry of 6 DTH operators, consumers have choice in the form of an alternate delivery platform. Therefore, the tariff for basic service tier in CAS notified areas should be under forbearance i.e. left to the market forces.
- 3.16 In view of above the issues for consultation are;
- 1. Should usage of STB be mandated in CAS notified areas for viewing both FTA and pay channels?**
 - 2. Which of following method should be used to regulate the tariff ceilings for basic service tier in CAS notified areas?**

- a. **By providing periodic inflation linked adjustment in the present ceiling of Rs.82/-(excluding taxes) per subscriber per month.**
- b. **Forbearance**
- c. **Any other method you may like to suggest**

II Maximum retail price for a pay channel

- 3.17 The present tariff regulation for cable TV service in CAS notified areas provide a ceiling of Rs.5.35/- (excluding taxes) per subscriber per month per pay channel. Initially the ceiling was Rs.5/-, (excluding taxes) which was subsequently raised to Rs.5.35/- with effect from 1st January 2009 by providing an inflation linked adjustment of 7%. While deciding this ceiling of Rs.5/- one of the key factor was the existing terms of cable transmission in a non-CAS environment. The primary purpose of an addressable system is to facilitate choice of pay channels at the level of subscriber, improved quality and monthly cable bill at a reasonable/acceptable level commensurate with the number of channels chosen by the subscriber.
- 3.18 While deciding the ceiling of Rs.5/- (excluding taxes) per pay channel per month in 2006, the Authority relied on (a) the prices made available by the stakeholders during the process of consultation. (b) Inference drawn from the agreements between the broadcasters and the MSO. (c) Available data from CAS areas in Chennai. (d) Offers made by DTH operators. (e) Reported mismatch between the actual subscriber and chargeable subscriber (f) Arrangements of revenue sharing with a reference to advertisement, carriage and revenue generated from the subscribers
- 3.19 Broadcaster, specially the sports broadcasters have been raising concerns on this ceiling, in the background that they have to pay large amount for acquiring sports broadcasting rights. In their view the uniform ceiling of Rs.5.35/- is not justified. Therefore, one view could be that instead of a uniform ceiling across all genres, there could be more than one ceiling depending on the genre of the

channel. In that case the question would be that for how many genres the ceilings should be prescribed. For comparing the rates of similar channels in non-CAS areas, the Authority has recognised eleven genres which are (i) General entertainment (Hindi) (ii) General entertainment (English) (iii) General entertainment (Regional language) (iv) Music (any language) (v) Movie (any language) (vi) News (any language) (vii) Sports (any language) (viii) Infotainment (any language) (ix) Kids (any language) (x) Life Style (any language) and (xi) Religious (any language). However, it is to be kept in view that many channels have contents of different genres.

3.20 One view could be that market has matured enough and the retail tariff for pay channels should be under forbearance. Support of this argument is that, if the broadcaster increases the rates of their channels then subscriber base may reduce, which in turn may affect the advertisement revenue of the broadcaster. Therefore, the pressure on advertisement revenue will discourage the broadcaster from increasing the tariff. The counter view could be that above argument could be applicable for general contents, for highly popular content (for example live coverage of sports event) the retail price may be jacked up unreasonably.

3.21 Next issue is the relation between a-la-carte and bouquet rate. One view could be that it is more significant in cases where there is no price cap on a-la-carte channels. In the case of analogue system, this issue is relevant only between broadcasters and MSOs, whereas in the case of CAS this issue is relevant both between broadcaster and MSO; and between MSO and subscriber. Broadcasters and/or MSOs, to promote channels which are not much in demand, may make such channels part of the bouquet and give the bouquet at such a discount that subscriber is encouraged to go for bouquet which ultimately may cost the subscriber more than the a-la-carte cost of his/her required channels. In such a situation, perverse pricing can be prevented by having a relation between a-la-carte and bouquet rate.

3.22 There are some channels (like “Topper”, as on date) which have a subscription revenue based model without advertisements. Similarly, there are other niche channels like high definition channels (HD channel) which are available through special set top box only. The target group for such advertisement free and specialised channels are limited as on date. The issue is whether tariff ceilings for such channels should be different from the normal pay channels or left under forbearance.

3.23 In the present tariff order there is a provision that a pay channel should be subscribed by the subscriber for a minimum period of four months. One view may be that there should be not be any minimum period and the subscriber should have the freedom to change channels at his/her will. However, counter view could be that unless there is a provision of minimum period of subscription the business model of the broadcasters will be adversely affected. This aspect could be more relevant for those channels which have event based contents like sports channels.

3.24 In case a common retail tariff ceiling or different tariff ceilings based on the genres of the channels are to be prescribed then the issue will be of fixing the ceilings. One view could be that the ceilings should be linked to the affordability of the subscriber. As per the analysis of the information in the reports submitted by the MSOs operating in the CAS notified areas, discussed in chapter 2, the majority of the subscribers are opting for 6-15 pay channels in the present tariff regime.

3.25 In view of above the issues for consultation are;

1. Which of following method should be used to regulate the retail tariff for pay channels in CAS notified areas?

a. By providing periodic inflation linked adjustment in the present ceiling of Rs.5.35/-(excluding taxes) per pay channel per subscriber per month.

b. Single ceiling across all genres. If so, what should be that ceiling?

- c. Different ceilings for different genres. In such case what should be the genres and what should be their respective ceilings?
 - d. Forbearance
 - e. Any other method you would like to suggest
2. Should a relation between a-la-carte and bouquet price be prescribed to prevent perverse pricing? If so, what should be the relation? Should it be different for broadcaster and MSO?
 3. How should the retail tariff for advertisement free channels be regulated in CAS notified areas? Should it be different from other pay channels?
 4. How should the retail tariff for niche channels which requires specialised STB be regulated in CAS notified areas? Should it be different from other pay channels?
 5. Should there be any provision of minimum period of subscription for pay channels? If, yes, what should be that period?

III Tariff for supply of STB

3.26 Every cable TV subscriber in a CAS area who intends to watch pay channels has to acquire a set top box (STB) on his own or from a MSO. Even those subscribers who do not wish to watch pay channels may have STB for better reception of signals and for watching more number of FTA channels. The success of CAS implementation is dependent upon the manner and tariff at which the STBs are supplied to cable TV subscribers. The Authority in its tariff order for CAS areas prescribed two standard tariff packages (STP) for acquiring STB by cable TV subscribers. Option-I of standard tariff package, as prescribed in the tariff order in 2006 provides a monthly rental of Rs.30/- with a refundable security deposit of Rs.999/-. Option-II provides a monthly rental of Rs.45/- with a refundable security deposit of Rs.250/-. No monthly rental is required to be paid by

subscriber after 5 years and the STB becomes the property of the subscriber. In case a subscriber returns the STB, then the MSO/LCO is entitled to deduct at the rate of Rs.12.50 and Rs.3.00 for every month or part of the month for which STB has been used under option I and II of standard tariff packages respectively. (Refer Annexure-I and Annexure-III). In addition to the mandatory standard tariff packages for STB, MSOs/LCOs were free to offer any other scheme to the subscribers. Subscribers were also free to acquire STB either from the MSO/LCO or from the market subject to the condition that the STB should be compatible with the MSO system.

3.27 Two standard tariff packages for acquiring of STB by the subscribers were modified w.e.f. 1st January 2009. In the first standard tariff package monthly rental was reduced to Rs.22/- with security deposit of Rs.750/-. In the second standard tariff package monthly rental was reduced to Rs.34 with security deposit of Rs.200/. Monthly deduction in case a subscriber returns the STB, were also reduced to Rs.10 and Rs.2.50 for every month or part of the month for which STB has been used under option I and II of standard tariff packages respectively. These reductions in standard tariff packages were done because the prices of digital STBs had come down due to technological advancement and easy availability of STBs.

3.28 While reviewing the tariff dispensation for CAS notified areas one of the issues that comes at retail level tariff is the cost of acquiring of STB by the subscriber. One view may be that it should be left to the market forces because subscribers have an option of another platform of DTH which has 6 service providers who are competing with each other to acquire the subscribers by offering various schemes.

3.29 Another view could be that the existing schemes for STB should continue with or without some modification. This regulatory mechanism could be very helpful in case the CAS is to be extended to remaining parts of the country. From the analysis of the information provided by the MSO, in chapter 2, we have seen that

the behavior pattern of subscribers has been mixed. Generally subscribers have opted for rental scheme with lower security deposit. However, where the cost of STB is low and comparable to the security deposit, they have gone for outright purchase.

3.30 In view of above the issues for consultation are;

1. How should the tariff for supply of STB be regulated?

- a. Continue with the present system. If so, should there be any modification?
- b. Left to the market forces.
- c. Any other method which you would like to suggest.

IV Revenue share arrangement between service providers

3.31 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. The share of broadcaster was kept at 45% which was the lower of the arrangement in Chennai. A higher percentage was given to the MSO since the cable operator was not to share the revenue from the basic service tier with the MSO. 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 judgement 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.

3.32 The issue is how the revenue generated from subscription should be shared between the service providers in the value chain. Should the subscription revenue from pay channels be shared in the present prescribed ratio of 45:30:25 or the ratio of revenue share modified. Similarly what should be revenue share arrangement between MSO and LCO in the case of basic service tier?

3.33 One view could be that it should be left to the market to decide. However, the other view may be that the present arrangement for revenue share from the pay channel revenue may continue.

3.34 As for as the revenue share arrangement between MSO and LCO, for basic service tier is concerned, one view could be that the present system of mutually negotiation should continue.

3.35 In view of above the issues for consultation are;

1. How should the sharing of revenue from pay channels subscription between broadcaster, MSO and LCO be regulated?

- a. Continue with the present arrangement. If so, should there be any modification?
- b. Left to the market forces.
- c. Any other method which you would like to suggest

2. How should the sharing of revenue for basic service tier between MSO and LCO be regulated?

- a. Left to the market forces.
- b. Any other method which you would like to suggest.

Chapter 4

Summary of Issues for Consultation

The issues for consultation are:

Note: Please support your comments with detailed reasoning.

1. Should there be only two broad tariff regulatory frameworks, one for analogue non-addressable (Non-CAS) and another for digital addressable systems.
2. If yes, should such a framework be same for wholesale and retail.
3. If no, why it should be different?
4. Should usage of STB be mandated in CAS notified areas for viewing both FTA and pay channels?
5. Which of following method should be used to regulate the tariff ceilings for basic service tier in CAS notified areas?
 - a. By providing periodic inflation linked adjustment in the present ceiling of Rs.82/- (excluding taxes) per subscriber per month.
 - b. Forbearance
 - c. Any other method you may like to suggest
6. Which of following method should be used to regulate the retail tariff for pay channels in CAS notified areas?
 - a. By providing periodic inflation linked adjustment in the present ceiling of Rs.5.35/- (excluding taxes) per pay channel per subscriber per month.
 - b. Single ceiling across all genres. If so, what should be that ceiling?

- c. Different ceilings for different genres. In such case what should be the genres and what should be their respective ceilings?
 - d. Forbearance
 - e. Any other method you would like to suggest
- 7. Should a relation between a-la-carte and bouquet price be prescribed to prevent perverse pricing? If, so what should be the relation? Should it be different for broadcaster and MSO?
- 8. How should the retail tariff for advertisement free channels be regulated in CAS notified areas? Should it be different from other pay channels?
- 9. How should the retail tariff for niche channels which requires specialised STB be regulated in CAS notified areas? Should it be different from other pay channels?
- 10. Should there be any provision of minimum period of subscription for pay channels? If, yes, what should be that period?
- 11. How should the tariff for supply of STB be regulated?
 - a. Continue with the presence system. If so, should there be any modification?
 - b. Left to the market forces.
 - c. Any other method which you would like to suggest.
- 12. How should the sharing of revenue from pay channels subscription between broadcaster, MSO and LCO be regulated?
 - a. Continue with the present arrangement. If so, should there be any modification?
 - b. Left to the market forces.
 - c. Any other method which you would like to suggest.

13. How should the sharing of revenue for basic service tier between MSO and LCO be regulated?

a) Left to the market forces.

b) Any other method which you would like to suggest.

14. Any other related issue, you would like to comment upon or suggest.

**TELECOM REGULATORY AUTHORITY OF INDIA
NOTIFICATION**

File No:15-3/2006 - B&CS New Delhi, 31st August, 2006. In exercise of the powers conferred upon it under sub-section (2) and sub-clauses (ii), (iii), (iv) and (v) of clause (b) of sub-section (1) of section 11 of the Telecom Regulatory Authority of India Act, 1997 [24 of 1997] read with Notification No.39 (S.O. No. 44(E) and 45 (E)) dated 09/01/2004 issued from file No.13-1/2004-Restg by the Central Government under clause (d) of subsection (1) of section 11 and proviso to clause (k) of subsection (1) of section 2 of the Telecom Regulatory Authority of India Act, 1997[24 of 1997], the Telecom Regulatory Authority of India, hereby makes the following Order, namely:-

1. Short title, extent and commencement:

i) This Order shall be called "The Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff Order, 2006 (6 of 2006)".

ii) This Order shall apply throughout the territory of India.

iii) This Order shall come into force from the date of its publication in the Official Gazette except as otherwise indicated elsewhere in the Order.

2. Definitions:

In this order, unless the context otherwise requires,

(a) "addressable system" means an electronic device or more than one electronic devices put in an integrated system through which television signals can be sent in encrypted or unencrypted form, which can be decoded by the device or devices at the premises of the subscriber within limits of the authorization made, on the choice and request of such subscriber, by the service provider to the subscriber;

(b) "alternative tariff package" (ATP) means a tariff package which a service provider may offer, in addition to the standard tariff package, for supply of a set top box to the subscriber for receiving programmes;

(c) "Authority" means the Telecom Regulatory Authority of India established under subsection (1) of section 3 of the Telecom Regulatory Authority of India Act, 1997[24 of 1997];

(d) "basic service tier" means a package of free-to-air channels provided by a 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;

(e) "broadcaster" means any person including an individual, group of persons, public or body corporate, firm or any organization or body who or which is providing programming services and includes his or her authorized distribution agencies;

(f) "CAS area" means the State(s), City(ies), Town(s) or Area(s), where, in terms of a notification issued from time to time under sub section 1 of Section 4A of The Cable Television Networks (Regulation) Act 1995 (7 of 1995), it is obligatory for every multi system operator/cable operator to transmit or retransmit programmes of any pay channel through an addressable system;

(g) "cable operator"(CO) 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;

(h) "commercial subscriber" means any subscriber who receives a programming service at a place indicated by him to a service provider and uses such signals for the benefit of his clients, customers, members or any other class or group of persons having access to such place;

(i) "cable service" means the transmission by cables of programmes including re-transmission by cables of any broadcast television signals;

(j) "cable television network" means any system consisting of a set of closed transmission paths and associated signal generation, control and distribution equipment, designed to provide cable service for reception by multiple subscribers;

(k) “distributor of TV channels” shall have the same meaning as given in sub-clause (j) of clause (2) of the Telecommunication (Broadcasting and Cable Services) Interconnection Regulation 2004 (13 of 2004);

l) “direct to home operator”(DTH Operator) shall have the same meaning as given in sub-clause (k) of clause (2) of the Telecommunication (Broadcasting and Cable Services) Interconnection Regulation 2004 (13 of 2004);

(m) “free to air channel” (FTA Channel) means a channel for which no fees is to be paid to the broadcaster for its retransmission through electromagnetic waves through cable or through space intended to be received by the general public either directly or indirectly and which would not require the use of an addressable system attached with the receiver set of a subscriber;

(n) “maximum retail price”(MRP) is the ceiling price (exclusive of taxes) that will be payable by a subscriber to the cable operator or the multi system operator as the case may be for each pay channel or bouquet of pay channel;

(o) “multi system operator”(MSO) means a cable operator who receives a programming service from a broadcaster or his authorized agencies and retransmits the same or transmits his own programming service for simultaneous reception either by multiple subscribers directly or through one or more cable operators and includes his authorized distribution agencies by whatever name called;

(p) “ordinary subscriber” means any subscriber who receives a programming service from a service provider and uses the same for his/her domestic purposes;

(q) “pay channel” means a channel for which fees is to be paid to the broadcaster for its retransmission through electromagnetic waves through cable or through space intended to be received by the general public either directly or indirectly and which would require the use of an addressable system attached with the receiver set of a subscriber;

(r) “programme” means any television broadcast and includes

i) exhibition of films, features, dramas, advertisements and serials;

ii) any audio or visual or audiovisual live performance or presentation; and the expression ‘programming service’ shall be construed accordingly;

(s) "service provider" means the government as a service provider and includes a licensee as well as any broadcaster, multi system operator(MSO), cable operator or distributor of TV channels;

(t) "set top box"(STB) means a device, which is connected to, or is part of a television and which allows a subscriber to receive in unencrypted/descrambled form subscribed pay channels through an addressable system;

(u) "standard tariff package" (STP) means a package of tariff as may be determined by the Authority for supply of a set top box to the subscriber by a service provider for receiving programmes;

(v) "subscriber" means a person who receives the signals of a service provider at a place indicated by him to the service provider , without further transmitting it to any other person and includes ordinary subscribers and commercial subscribers unless specifically excluded;

3. Notwithstanding anything contained in the Telecommunication (Broadcasting and Cable) Services (Second) Tariff Order 2004 (6 of 2004):-

i) the charges payable by subscribers to cable operators/multi system operators/broadcasters in the CAS areas shall be determined by the provisions of this Order;

ii) the charges payable by cable operators to multi system operators/broadcasters and by multi system operators to broadcasters in the CAS areas shall be determined by the provisions of the Telecommunication (Broadcasting and Cable Services) Interconnection (Second Amendment) Regulation, 2006 (9 of 2006) dated 24th August, 2006, read with this Order. The word "charges" used for compatibility with the Telecommunication (Broadcasting and Cable) Services (Second) Tariff Order 2004 (6 of 2004) dated 1st October, 2004.

4. Tariff ceiling for 'basic service tier' in CAS areas: The maximum amount which a cable operator/multi system operator may demand from a subscriber for receiving the programmes transmitted in the basic service tier provided by such cable operator/multi system operator shall not exceed Rs.77/- per month exclusive of taxes,

for a minimum of thirty free to- air channels. Free-to-air channels over and above the basic service tier would also be made available to the subscribers within the maximum amount mentioned above. This ceiling shall be effective from 31st December, 2006 and shall remain in force until otherwise notified.

Explanation: In respect of CAS areas of Chennai where CAS has already been implemented, the ceiling mentioned in this clause shall take effect from the date of publication of this notification.

5. Tariff for supply of set top boxes in CAS areas:

i) The provisions of this clause shall be effective from 15th October, 2006 and shall remain in force until otherwise notified.

ii) Every multi system operator / cable operator in a CAS area shall compulsorily offer to the subscribers both Option I and Option II of the standard tariff package (STP) specified in the Schedule annexed to this Order.

In addition, the multi system operator / cable operator will be free to offer alternative tariff packages (ATP) and the subscribers shall have the freedom to choose from amongst the tariff packages so offered including the standard tariff package specified by the Authority.

iii) There shall be no levy or collection of any charges separately from the subscribers, either in the STP or in the ATP referred to in sub clause (ii) above, on account of

a) installation of set top box;

b) activation or reactivation of set top box;

c) Smart Card / Viewing Card; and

d) repair, maintenance or any other charges (for the first five years)

iv) A subscriber in a CAS area who desires to receive one or more pay channel(s)/bouquets of pay channels may make an application, on or after 15th October 2006, to any one of the multi system operators/cable operators for supply and installation of one or more set top boxes in his premises as per the tariff contained in sub clauses (ii) and (iii) above.

v) A multi system operator /cable operator as the case may be, on receipt of a request under sub-clause (iv), shall ensure compliance with the request within two days of completion of all formalities as specified in the Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television - CAS Areas) Regulation, 2006 (8 of 2006) dated 23rd August, 2006 issued by the Authority.

Provided that where a subscriber has already taken a STB under the STP and takes a refund after surrendering the STB, then that subscriber will not be entitled to a new STB under the STP (from the same service provider) unless he/she is shifting residence to another city or to another area in the same city where the service is not available from the same multi system operator.

vi) Without prejudice to the provisions contained in sub clauses (ii) to (v) above, a subscriber in a CAS area shall be free to buy a set top box of approved quality (as specified by Bureau of Indian Standards) from the open market, if technically compatible with the multi system operator's system, and no multi system operator or cable operator shall force any subscriber to buy or take on rent the set top box from him/her only. The multi system operator/cable operator shall transmit the requisite pay channels through the set top box acquired by the subscriber on his own.

vii) In respect of Chennai, a subscriber shall have the option to opt for the tariff packages as per sub clauses (i) to (vi) above, or to continue with the existing rental or lease scheme.

6. Ceiling on maximum retail prices for pay channels in CAS areas:

(i) It shall be mandatory on the part of the broadcaster to offer pay channels on a-la-carte basis to multi system operators, and multi system operators in turn shall offer pay channels on a-la-carte basis to cable operators.

Similarly, multi system operators/cable operators shall also offer pay channels on a-la-carte basis to the subscribers. In addition to the a-la-carte offer, pay channels can also be offered in the form of bouquets.

(ii) In CAS areas, the ceiling in respect of maximum retail prices (MRP) payable by a subscriber to multi system operator/cable operator shall be five rupees per pay channel

per month (exclusive of taxes). The maximum retail price for a pay channel within this ceiling shall be fixed by the broadcaster. Provided that where the subscriber has opted for a pay channel for a period less than four months then the subscriber shall pay for four months of the MRP of the concerned pay channel.

(iii) The ceiling on MRP contained in sub clause (ii) above shall apply to all the existing pay channels as well as to new pay channels. (iv) Notwithstanding anything contained in clauses 3.1, 3.2 and 3.5 of the Telecommunication (Broadcasting and Cable services) Interconnection Regulation, 2004 (13 of 2004), dated 10th December, 2004, the amounts payable by the MSOs to broadcasters and by cable operators to MSOs under the provisions of this order read with the provisions of clauses 5.1, 5.2 and 5.3 of the aforesaid Interconnection Regulation (as amended on 24.8.2006) shall not apply to non-CAS areas, to DTH operators or to any other distributor of TV channels. (v) The nature of any channel, i.e., free to air or pay will normally remain the same for a period of one year. Any broadcaster of a free to air channel intending to convert the channel into a pay channel or vice-versa shall inform the Authority and give public notice one month before the scheduled date of conversion. The public notice shall be published at least in two newspapers, of which one should be a national newspaper and one in the same language as the channel proposed to be converted. The notice period of one month will be counted from the last date of publication in the newspaper, or from the date of receipt of intimation by the Authority, whichever is later. In addition, during the notice period, a scroll will also be run at periodic intervals on the channel proposed to be converted. (vi) The provisions of sub clauses (i) to (v) above shall not apply to commercial subscribers and the same shall be governed by the Supreme Court Order dated April 28, 2006 in Civil Appeal No.2061 of 2006. (vii) The provisions of this clause shall take effect from 31st December, 2006.

7. Reporting Requirement:

i) All multi system operators in a CAS area shall report to the Authority tariff packages, including all terms and conditions, associated with the supply of set top boxes to the subscribers. The first such report shall be sent by 12th October, 2006 and thereafter any

changes to these tariff packages shall be reported 7 days prior to the launch of a new tariff package.

ii) All broadcasters shall report to the Authority, the MRPs fixed by them under clause 6(ii) for their pay channels to be effective from 31st December, 2006. The first such report shall be sent by 12th October, 2006 and thereafter any changes to these prices shall be reported 30 days prior to the change. All broadcasters shall also publish these MRPs on their respective web sites.

By Order
(Rakesh Kacker)
Advisor (B&CS-I)

Schedule
Standard Tariff Package (STP) for Set Top Box
(Digital Model)

OPTION - I

Particulars	Monthly Rental Scheme with Security Deposit
1) Rent per month per Set Top Box	Rs.30/-
2) Security Deposit [Refundable]	Rs.999/- per set top box
3) Installation Charges	Nil
4) Activation charges	Nil
5) Smart Card/Viewing Card Charges	Nil
6) Repair and Maintenance Cost	Nil
7) Deduction from Refundable Security Deposit	The multi system operator or cable operator shall be entitled to make deductions from the refundable at the rate of twelve rupees and fifty paise (Rs.12.50) for every month or part of the month for which the subscriber has used a set top box taken on rent or lease, while refunding such refundable security deposit to the subscriber upon return of the set top box at any time up to a period of five years from the date of hiring or leasing of the set top box. This refund would be made where the STB has not been tampered with as provided in clause 6.3 of the Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television – CAS Areas) Regulation, 2006 (8 of 2006) dated 23rd August, 2006 issued by the Authority.

Note: No monthly rentals will be payable after the period of five years and the set top box will become the property of the subscriber after the expiry of five years. The subscriber shall however be liable to pay repair and maintenance charges from the sixth year onwards.

AND
OPTION - II

Particulars	Monthly Rental Scheme with Security Deposit
1) Rent per month per Set Top Box	Rs.45/-
2) Security Deposit [Refundable]	Rs.250/- per Set Top Box
3) Installation Charges	Nil
4) Activation charges	Nil
5) Smart Card/Viewing Card Charges	Nil
6) Repair and Maintenance Cost	Nil
7) Deduction from Refundable Security Deposit	The multi system operator or cable operator shall be entitled to make deductions from the refundable security deposit at the rate of three rupees (Rs.3) for every month or part of the month for which the subscriber has used a set top box taken on rent or lease, while refunding such refundable security deposit to the subscriber upon return of the set top box at any time up to a period of five years from the date of hiring or leasing of the set top box. This refund would be made where the STB has not been tampered with as provided in clause 6.3 of the Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television - CAS Areas) Regulation, 2006 (8 of 2006) dated 23rd August, 2006 issued by the Authority.

*For Analogue Boxes this would be Rs. 3 per month per Set Top Box.

Note: No monthly rentals will be payable after the period of five years and the set top box will become the property of the subscriber after the expiry of five years. The subscriber shall however be liable to pay repair and maintenance charges from the sixth year onwards.

Section 4A of Cable Television Networks (Regulation) Act 1995

4A. Transmission of programmes through addressable systems:- (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 retransmit programme of any pay channel through an 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.

(2) If the Central Government is satisfied that it is necessary in the public interest so to do, it may, by notification in the Official Gazette, 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.

(3) The Central Government may specify in the notification referred to in sub-section (2) , 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.

(4) If the Central Government is satisfied that it is necessary in the public interest so to do, it may, by notification in the Official Gazette, 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.

(5) Notwithstanding anything-contained in sub-section (4), the Central Government may, for the purposes of that sub-section, specify in the notification

referred to in that sub-section different maximum amounts for different States, cities, towns or areas, as the case may be.

(6) Notwithstanding anything contained in this section, programmes of basic service tier shall be receivable by any subscriber 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 with such receiver set in any manner.

(7) Every cable operator shall publicise, in the prescribed manner, to the subscribers the subscription rates and the periodic intervals at which such subscriptions are payable for receiving each pay channel provided by such cable operator

(8) 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 an addressable system to be attached to his receiver set for receiving programmes transmitted on pay channel.

(9) Every cable operator shall submit a report to the Central Government in the prescribed form and manner containing the information regarding-

(i) the number of total subscribers;

(ii) subscription rates;

(iii) number of subscribers receiving programmes transmitted in basic service tier or particular programme or set of programmes transmitted on pay channel, in respect of cable services provided by such cable operator through a cable television network, and such report shall be submitted periodically at such intervals as may be prescribed and shall also contain the rate of amount, if any, payable by the cable operator to any broadcaster.

Explanation.- For the purposes of this section,-

(a) "addressable system" means an electronic device or more than one electronic devices put in an integrated system through which signals of cable television network can be sent in encrypted or unencrypted form, which can be decoded by the device or devices at the premises of the subscriber within the limits of authorisation made, on the 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 provided by a 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;

(c) "channel" means a set of frequencies used for transmission of a programme;

(d) "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 a suitable receiving equipment and the expression "unencrypted" shall be construed accordingly;

(e) "free-to-air channel", in respect of a cable television network, means a channel, the reception of which would not require the use of any addressable system, to be attached with the receiver set of a subscriber;

(f) "pay channel", in respect of a cable television network, means a channel, the reception of which by the subscriber would require the use of an addressable system, to be attached to his receiver set;

TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,

PART III, SECTION 4

**TELECOMMUNICATION (BROADCASTING AND CABLE) SERVICES
(THIRD) (CAS AREAS) TARIFF (THIRD AMENDMENT)**

ORDER, 2008

NO. 5 OF 2008

TELECOM REGULATORY AUTHORITY OF INDIA

NOTIFICATION

New Delhi, the 26th December, 2008.

No. 1-32/2008-B&CS.---- In exercise of the powers conferred by sub-clauses (ii), (iii), (iv) and (v) of clause (b) of sub-section (1) and sub-section (2) of section 11 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), read with notification of the Government of India, in the Ministry of Communication and Information Technology (Department of Telecommunication), No.39 ,-

(a) issued, in exercise of the powers conferred upon the Central Government under clause (d) of sub-section (1) of section 11 and proviso to clause (k) of sub-section (1) of section 2 of the said Act, and

(b) published under notification No. S.O.44 (E) and 45 (E) dated the 9th January, 2004 in the Gazette of India, Extraordinary, Part III, Section 4,

the Telecom Regulatory Authority of India hereby makes the following Order further to amend the Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff Order, 2006 (6 of 2006), namely:-

1. (1) This order shall be called the Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff (Third Amendment) Order, 2008.

(2) It shall come into force on the 1st day of January, 2009.

2. In the Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff Order, 2006 (6 of 2006) (hereinafter referred to as the principal Tariff Order), -----

(a) in clause 4, for the word and figure "Rs.77/-" , the words "rupees eighty two" shall be substituted;

(b) in sub-clause (ii) of clause 6, for the words "five rupees", the words "five rupees and thirty five paise" shall be substituted.

3. In the Schedule to the principal Tariff Order,-----

(a) in the table under **OPTION - I**, under the column "Monthly Rental Scheme with Security Deposit", -----

(i) against the item "1) Rent per month per Set Top Box", for the word and figure "Rs. 30/-", the words "rupees twenty two" shall be substituted;

(ii) against the item "2)Security Deposit [Refundable]", for the word and figure "Rs. 999/-", the words "rupees seven hundred and fifty" shall be substituted;

(iii) against the item "7) Deduction from Refundable Security Deposit", for the words, figures and brackets "twelve rupees and fifty paise (Rs.12.50)", the words, figures and brackets "ten rupees (Rs.10/-)" shall be

substituted;

(b) in the table under **OPTION - II**, under the column "Monthly Rental Scheme with Security Deposit", -----

(i) against the item "1) Rent Per Month Per Set Top Box", for the word and figure "Rs. 45/-", the words "rupees thirty four" shall be substituted;

(ii) against the item "2) Security Deposit [Refundable]", for the word and figure "Rs. 250/-", the words "rupees two hundred" shall be substituted;

(iii) against the item "7) Deduction from Refundable Security Deposit", for the words, figure and brackets "three rupees (Rs.3)", the words, figures and brackets "two rupees and fifty paise (Rs.2.50)" shall be substituted.

(R.N. Choubey)

Principal Advisor (B&CS)