

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)

Note 1. The Explanatory Memorandum annexed to this Order explains the objects and reasons of the Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff (Third Amendment) Order, 2008.

Note 2. The Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff Order, 2006 (6 of 2006) was published vide notification No. 15-3/2006-B&CS dated the 31st August, 2006 and subsequently amended vide notifications No. 1-18/2006-B&CS dated the 21st November, 2006 and No. 1-20/2006-B&CS dated the 19th December, 2006.

EXPLANATORY MEMORANDUM

The Authority, vide the Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff Order, 2006 (6 of 2006) dated 31st August 2006, had laid down the following ceilings on charges that can be charged by the service providers from a subscriber for cable TV services in Conditional Access System (CAS) areas in the country as notified by the Government under sub-section (1) of section 4A of the Cable Television Networks (Regulation) Act, 1995 (7 of 1995) from time to time:

- (a) Not exceeding Rs.77/- per month (excluding taxes), for a minimum of thirty free to-air channels (Basic Service Tier).
- (b) Not exceeding Rs.5/- per pay channel (excluding taxes) per month for each pay channel.

2. The Authority in its recommendations on “Issues relating to Broadcasting and Distribution of TV Channels” dated October 1, 2004 had also indicated that the ceiling will be revised periodically to make adjustments for inflation.

3. 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 is being provided with effect from 1st January, 2009 by the Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Ninth Amendment) Order, 2008 dated 26th December, 2008. For maintaining a harmonious growth of the cable TV sector in CAS and Non-CAS areas, it is 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. Accordingly the ceilings on charges for basic tier have been increased from Rs. 77/-to Rs. 82/- (excluding taxes) and the ceilings on the maximum retail price per pay channel per month have been increased from Rs. 5/- to Rs. 5.35/- (excluding taxes).

4. Further, the Tariff Order dated 31st August 2006 also provides that every multi system operator / cable operator in a CAS area shall compulsorily offer to the subscribers two Standard Tariff Packages (STPs) for set top boxes (STB). The first STP provides for a security deposit of Rs.999/- with a monthly rental of Rs.30/- for five years. The second STP provides for a security deposit of Rs.250/- with a monthly rental of Rs.45/- for five years. In addition to these two STPs, the service providers are free to provide any other tariff packages.

5. The standard tariff packages (STPs) for STBs prescribed vide tariff order dated 31st August 2006, were primarily based on the then prevailing market prices of set top boxes. During the past two years, the prices of digital STBs have declined due to technological advancement and easy availability of STBs. The Authority felt it necessary to have STPs based on the current assessment so that the effective advantages of the rental schemes may be passed on to the end user. Accordingly, the Authority has revised the two Standard Tariff Packages (STPs) to keep pace with the changing scenario, and to add better choices to end users. This is likely to enhance competition coupled with better penetration of STBs, leading to faster digitalization.

.....