

**GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA**

UNSTARRED QUESTION NO:5594

ANSWERED ON:30.04.2013

DISTRIBUTION OF CABLE TV FEES

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Bhoi Shri Sanjay;Gaikwad Shri Eknath Mahadeo;Paranjpe Shri Anand Prakash

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether as per the amendment in the Cable Television Networks (Regulation) Act, 1995, the amount of fees charged from cable television consumers was to be divided in a ratio of 45:55 for free channels and 35:65 for paid channels between the local operators and multi-system operators;

(b) if so, the details thereof;

(c) whether the association of local operators have complained of losses suffered by them on this account and suggested some remedial measures to sort out the issue;

(d) if so, the details thereof and the reaction of the Government thereto; and

(e) the steps taken/proposed to be taken by the Government to resolve the issue and protect the interest of the local/multi-system operators?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI MANISH TEWARI)

(a) to (e) The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff Order, 2010 dated 21.07.2010, issued by the Telecom Regulatory Authority of India (TRAI) is applicable for all the addressable TV distribution systems, including digital addressable cable TV systems (DAS). The said order provides that the charges payable by a cable operator to a Multi System Operator (MSO) or to a HITS operator, as the case may be, shall be as determined by mutual agreement. However, as a fall back arrangement, in case the MSO and the Local Cable Operator (LCO) fail to arrive at mutual agreement, the charges collected from the subscribers shall be shared in the following manner:-

the charges collected from the subscription of channels of basic service tier, free to air channel and bouquet of free to air channels shall be shared in the ratio of 55:45 between MSO and LCO respectively; and

the charges collected from the subscription of channels or bouquet of channels or channels and bouquet of channels other than those specified under clause mentioned above shall be shared in the ratio of 65:35 between MSO and LCO respectively.

TRAI has formulated the above regulatory framework for revenue share between the MSOs and LCOs after following the due consultation process with all the stakeholders and taking their comments/ views into consideration.

Some MSOs and LCOs had approached Hon'ble Telecom Dispute Settlement and Appellate Tribunal (TDSAT), challenging the said provisions regarding revenue share arrangement between MSOs and LCOs. TDSAT, in its judgment dated 19th Oct. 2012, has upheld the above mentioned provisions and the appeals against these provisions stand dismissed. Subsequently, some of the MSOs have, however, moved the Hon'ble Supreme Court against the said judgment of TDSAT. The matter is currently sub-judice.