



CONSULTATION PAPER RELEASED BY TRAI

Home → Consultation paper released by TRAI

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(A) Interconnection and Tariff issues related to HITS services

The TRAI released a consultation paper on "Interconnection and Tariff issues related to HITS services." The guidelines for providing Headend-In-The-Sky ("HITS") broadcasting service in India have been issued by the Government on November 26, 2009. The Ministry of Information and Broadcasting has requested TRAI to revisit the interconnection regulations and issue tariff orders for promotion of HITS services. This consultation paper intends to seek the views of the stakeholders on issues relating to amendments to the interconnection regulations and tariff dispensation for HITS services in India.

PSA view – These policy guidelines are expected to create impetus for promoting digitalization and addressability by utilizing the much of the land based transmission system. This mode of delivery has the advantage of spreading digitalization with minimal capital outlay throughout the country at one go because of the country-wide footprint of HITS. 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.

(B) Tariff Issues related to Cable TV Services in Non-CAS Areas

The TRAI released another consultation paper on "Tariff Issues related to Cable TV Services in Non-CAS Areas". The present de novo tariff exercise for cable TV services in non-CAS areas is being carried out in pursuant to the Supreme Court ("SC") order dated May 13, 2009. Following issues have been covered in this consultation paper: (i) Wholesale tariff of channels from broadcasters to MSOs, (ii) Retail tariff for cable TV services from cable operators to consumers, (iii) A-la-carte provision of channels from broadcaster to MSO, (iv) Carriage & placement fee paid by broadcasters to MSOs/cable operators, (v) Tariff for commercial subscribers, and (vi) Digitization with addressability. The consultation paper has been prepared based on (i) inputs on financial and operational information given by the stakeholders (broadcasters, MSOs, cable operators, DTH operators and consumer advocacy groups); (ii) information obtained during meetings with the stakeholders and their associations; (iii) published secondary sources of information including annual reports and financial statements; and (iv) interaction with international regulators.

PSA *riew* – As a backgrounder to this release, on May 21, 2007, a consultation paper on issues relating to tariff for cable television services in non-CAS areas was issued by TRAI and pursuant to consultations held with stakeholders, TRAI issued the Telecommunications (Broadcasting and Cable) Services (Second) Tariff (Eighth Amendment) Order, 2007. An appeal was filed in the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") against the above mentioned tariff amendment order and TDSAT set-aside this tariff

amendment order and asked TRAI to study the matter afresh and issue a comprehensive Order. TRAI, however, filed an appeal in the SC against the TDSAT order. The SC on May 13, 2009 passed an order directing TRAI to consider the matter de-novo as regards all aspects and give a report to the SC by the end of June, 2010.

Nanotechnology Regulatory Board soon

The NMC is in the process of forming a Regulatory Board to supervise and regulate commercial and industrial products implementing nanotechnology. According to the Chairman of the NMC, Mr. C. N. R. Rao, since Indian industries are coming out with various nanotechnological products including water filters, biomedical products, several chemicals, cosmetics and paints, there is a void in terms of regulation of the production of such products and the technology involved for the safety and benefit of the society. The primary focus of the NMC presently is on providing effective education and training to researchers and professionals in diversified fields so that a genuine interdisciplinary culture for nanoscale science, engineering and technology can emerge. To further its endeavors, the NMC has launched MSc and M Tech programs in several institutions in India to also develop human resource in this sector.

PSA view – Nanotechnology is a very advanced branch of science which has an impact on the appliances and utilities in every day usage. There has been much debate on the need for regulation of nanotechnology as it has the potential to create many new materials and devices with a vast range of applications, such as in medicine, electronics and energy production. In light of the implications of nanotechnology, it is prudent to regulate not only the research and development and growth of skilled human resource, but also to monitor and promote the foreign inflow of technology and funds into this nascent sector.

Cinematographic Bill, 2010 "Bill": a new chapter in the Indian film industry

The draft Bill is expected to be presented in the Indian parliament in its next session which will replace the antiquated Cinematograph Act, 1952. Significantly, the Bill proposes to allow the Central Board of Film Certification to certify films under "U" (*films which can be universally viewed by all age groups*), "12+" (*suitable for viewers above the age of 12*), "15+" (*suitable for viewers above the age of 15*), "UA" (*universal viewing barring a few scenes that are meant for restricted viewing*), "A" (*suitable for viewing only by adults*) and "S" (*film made on people belonging to a particlar profession of class*) category. Further, the failure of producers to display certification on posters etc, will lead to fine for violation. Similarly, for piracy, a fine in the range of INR 500,000 to INR 2,500,000 has also been proposed. In sync with the Information Technology Act, 2000 ("IT Act"), the Bill also provides for penalities on film downloaded from websites and servers located in foreign jurisdictions.

PSA view— The Bill is a big step forward for the film industry as films will no longer be certified as just "U", "UA" or "A". Film makers, whose movies were certified as "A" or "UA" due to non-availability of any other certification option, will be pleased to have "12+" or "15+" certification instead. Viewers will also be able to make a better and an informed choice of the movies they want to watch. Piracy is a menace, especially in the film industry. Stringent provisions to curb piracy appear to be a positive sign, especially purusuant to the recent amendments in the IT Act. However, we need to wait till all impediments are cleared and the Bill finally becomes law.

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