

**The proceedings in the Rajya Sabha regarding the passage of
THE CABLE TELEVISION NETWORKS (REGULATION) AMENDMENT BILL
2002**

**THE MINISTER OF INFORMATION AND BROADCASTING (SHRIMATI
SUSHMA SWARAJ),**

Moving the motion for consideration of the Bill, said: This Bill when enacted shall prove a milestone in improving the condition of the subscribers. The cable industry has grown in a haphazard manner in India. There are no rules, regulations etc. to exercise control over such a powerful means of communication. Nobody could have anticipated that the cable industry shall grow the way it has grown. Initially, there used to be free to air channels, but soon these channels were converted into pay channels making cable costlier. Interests of cable subscribers have to be protected and therefore, a task force was set up. The report of the task force is with me. It had done a commendable job in a record time frame.

It is suggested in the report that pay channels should be separated from that of free to air channels. Now, there will be a choice of viewers to pay only for those channels which they want to watch, not for all the channels being telecast by the cable operator. This facility will be provided by installing a box. Moreover, the Cable operator would be required to give a statement about the number of cable connections along with the details of channels.

We have made all these provisions to have transparency in the whole system. Hence, I once again request the Hon. Members to get this bill passed after discussion.

DR.L.M.Sanghvi : Actually, this bill has been brought with a deep sense of understanding and balance because this was the demand of the justice. It shows that parliament is not helpless and it is committed to work for safeguarding the public interest.

It is necessary to empower the Government to set up the mandatory addressable system in a phased manner for watching the pay channels. Similarly, free telecast is also very necessary. I am of the view that choice of watching a certain channel should be in the hands of subscriber only. Anything should not be imposed on him in this regard. We are empowering the Government through this Bill to ensure that the system being set up for the entertainment, education and benefit of the public is not misused. With these words whole heartedly support this Bill and congratulate the hon. Minister for bringing this Bill.

SHRI P.PRABHAKAR REDDY: I am supporting the Bill. The number of Households connected by television networking is increasing day by day. The number of Broadcasters is also increasing year after year. In the present day world, entertainment has become as important as food, shelter and clothing. Apart from entertainment, different channels are providing information and knowledge. Hence this has got a great significance.

The subscribers' problem is that they feel they are being arbitrarily charged and they are being charged for the channels which they don't want to watch. The Cable operators are

also complaining that the broadcasters are charging them arbitrarily, and have to pay them. To put an end to all this, the Government has brought forward this Bill and I compliment the hon. minister for this.

With regard to issue of free to air channels, the Government is arrogating to itself the power to choose free to air channels and what rates should be charged. There are about 40 channels in the country, today, which are broadcasting news, sports and entertainment. As on today, even they are free to air channels. Will they be included in the basic service tier? Since there is no clarity and the rules are ambiguous, it will lead to misuse of power.

Through this Bill, the government is making it obligatory to install addressable system and the subscribers will have to install set top boxes. But, what will be the mechanism for a broadcaster to know the viewership of his channel.? Under sub clause (9) of clause 4A, it is obligatory for every cable operator to send information to the central government periodically. It is not humanly possible for the central government to compile and analyse this information and take a follow up action. I feel that it is meaningless, and is not going to serve any purpose. The intention of the Bill is very noble and laudable. But I want the hon Minister to address on the problems which the government is going to face in the implementation part.

SHRI PRITHVI RAJ CHAVAN : I support this Bill, We by and large support the initiatives taken by the government in this regard . Although we have certain concerns, which I wish the minister would adjust the rules that are framed under the legislation.

This whole scheme of the addressable box should be based on a computerised management system. Then there will be transparency in payment and reporting to the government and to the broadcaster would be possible with the introduction of this system . Now everybody will have to buy an addressable system. Its cost can be reduced by mass manufacturing and the government can make it duty free. I would like to know Government's strategy about the set box. Moreover the government should go in for a digital system in this regard because it is the latest and sophisticated one. The Government should also make sure that the set box would never be a proprietary technology. A viewer or subscriber should have the choice of changing from broadcaster to another at will, because it is going to be his property.

Government should prescribe such set boxes which are passed by the Bureau of Indian Standards and those should be smoothly upgradeable. Regarding charges of these set boxes, there should be different offers, like weekly monthly or annual payment.

Ultimately we should have a regulatory Authority whether it is a Communications Convergence Commission or some other Authority which should be transparent and constituted statutorily. I support the Bill.

SHRI S.S.CHANDRAN : In Tamil Nadu, the hon Chief Minister and our respected leader Dr Puratchi Thalaivi Amma is implementing various welfare schemes for the

people .Wether the information about those schemes will disseminated through the cable network. The FTV and MTV are not only damaging our culture but also resulting in excessive consumption of electricity .I requested the hon minister to see as to how to have control over these TV Channels.

Suppose there is private satellite channel in a state opposed to the ruling party in that state. In order to create law and order problem and to spread violence in that state the private channel might telecast false propaganda and fabricated news items . This can lead to religous and other such violence in the state . Such TV channel should be banned under criminal code and if possible under POTA.

SHRI NILOTPAL BASU: Everybody knows that all the three sectors i.e. information, communication and broadcasting are merging in the background of the technology changes where analogue technology in the broadcasting sector is giving way to the digital sector in the same sector.

Therefore, when the Government is placing the proposed legislation before the Parliament to go towards the digital regime, here is a bill which talks about changes which are aimed at perpetuating the analogue technology.

Now, we have a situation where we may have a number of free to air channels, which will be excluded from the basic tier because the slots available in the basic tier are not limited to the number fo free to air channels. Therefore the Government in effect is assuming powers to decide as to which particular free to air channels will be beamed by the cable operators. this is a huge discreprancy and i think, this is also against the grain of our fundamental right which is enshrined in our constitution. If the set top box which will be controlled by the cable operators, is tampered with, and if there is under reporting then the dispute between the operators and the channel providers would continue to be there. The minister has missed the point. I dont understand why the Government is assuming such sweeping powers when it is the market forces that determine all things. in the present form , the Bill woould only increase the ultimate burden borne by the subscribers. Instead of reducing the burden on the consumer, I think it would simply increase the Burden. therefore we are not in a position to support this Bill. I would still urge, we can have a select committee to make certain improvements necessary for this legislation.

SHRI R. SHUNMUGASUNDARAM : The Government has stepped in when there is an apprehension that Cable TV Operators are fleecing the subscribers by overcharging the subscription rate.

SHRIMATI SAROJ DUBEY: this Bill is very much relevant and it seems this would also provide relief to the viewers to a great extent. There is an apprehension also in the minds of the viewers because of the ensuing monetary burden. Approximately twenty five crore cable viewers are said to be adependable on cable in the country. Indian viewers depend on the desire of the cable operator whio can at any time deprive them of the facility of getting information as well as that of entertainment . They arbitrarily charge

from the subscribers. In this way their monopoly has been going on. The viewers are in much difficulty due to their tactics. Cable operator mafia is intimidating the public and exploiting them. In this capital city of India, i.e. Delhi they are charging from rupees on under, to rupees four hundred per month. The subscriber has no place to go and no authority to whom he may complain against these cable operators. Therefore I request the HON'ble Minister to formulate a uniform policy in respect of the charges and protect the interests of the subscribers.

Pay Channels are neither ready for making their payment by adding TRD rating nor for C.S.system. Neither they pay license fee nor entertainment tax. Tax has to be paid by the cable operator. In this regard the Conditional Access System which is being introduced, may provide some relief to the subscribers. Now we have entered in the Optical Fibre age T.V. Internet, Cable and telephones all these services would operate through this system. The Government should set up a regulatory appropriate Authority to deal with the various problems.

The government must improve the level of its metro channel and replace the old six or seven serials which are being repeated every time, by some new ones. Highly indecent and vulgar dances are shown by MTV and "WE For You" channels must be controlled. Serials like "Saas bhi kabhi bahu thi" and "Kahaani Ghar Ghar Ki" are a blot on womenfolk, because all the characters of these serials are always seen conspiring against one another. What lesson will it give to our daughters, daughter in laws. Such programmes should be stopped. I once again request the Hon'ble Minister to keep in mind the interests of the customers. I welcome this measure.

DR T SUBBARAMMI REDDY: Clause 6 of the Bill seeks to amend section 22 of the Cable Television Networks (Regulation) Amendment Bill, 2002. The proposed clauses empower the Central government to make rules to provide the manner of publicising the subscription rates and the periodical intervals of which they are paid. The most important point is why this particular Bill has become so controversial and why it is so much in the News.

alleged that the cable operators collect more money from the consumers, On the other hand cable operators explain to the consumers that they are charging more because the broadcaster are charging more. This confusion should be removed. The government is coming forward to control the fees to be paid by the consumers in a systematic way so that if the subscriber wants to see ten channels, he will pay for only those ten channels. In the first Instance this bill was not accepted in the Rajya Sabha. Then after a great deal of persuasion, it has come again in the Rajya Sabha for acceptance. Why? it needs to be clarified that there is no risk in this Bill, and the interests of the public, the broadcasters and also of the cable operators shall be looked after.

It is said that about 40 million cable homes are there, but these cable operators are showing it as 30 million. The cable operators are actually paying only Rs 6 million to the broadcasters. How far is it correct? the broadcasters get only 20% that is why they are then forced to charge more money I would also like the hon minister to take this point

into consideration.

It has been said that to install a set top box, the costs would be around Rs 3,000 . peoples feeling is that this would be a further burden on them. wether there is any scheme before the government to give this set top box at a subsidised rate at least to the poor people , and the middle class people and to the government people who cannot afford this. The Delhi government has said that every month it is losing Rs 40-50 crores on account of entertainment tax, since cable operators are not paying the same.The minister also has to bear in mind this point while passing this Bill, since there is no scope to oppose this Bill isupport this Bill.

SHRIMATI MAYA SINGH: While supporting this Bill, I congratulate the hon'ble Minister for bringing this Bill keeping in mind the sentiments of crores of families.We are now living in the information technology age and by the year 2000.the number of TV channels had touched the number of 150. The charges being collected by the cable operators havee even gone to rs 375 at some placeswhich has adversely affected the middle family budget .Cultural Pollution is also causing damage to the society.

The way out of providing choice or alternative to the people is a welcome step. this Bill earmarks two categories of the channels to be shown by the cable operators . First category or basic package is for free channels, which is absolutely suitable to middle class families.The second is that of pay channels for which specific instrument will have to be fixed on television. The Bill under consideration is a revelutionary legislation.Clause 4 A (1) which is being inserted in the original law will bring transparency in this industry and restore mutual confidence. I hope after passing of this Bill, the disputes between broadcasters and cable operators will come to an end and subscribers difficulties would be removed . Therefore I request all the hon'ble Members to pass this Bill in the interest of the subscribers .

The hon minister understood the problems of the subscribers and have brought this Bill. Anumber of RWA's in Delhi have expressed their joy that a bill would be brought to protect them from the high handedness of the Cable Television operators. On behalf of millions of housewives of the country and on my own behalf I congratulate the hon. Minister on bringing this Bill as it would give us a greta relief.

I support the Bill.

SHRI SATISH PRADHAN: It is unfortunate that the cable operators even in Delhi are not showing through the cable that Doordarshan channel which telecast the proceeings of the Parliament. I hope the hon. Minister while making arrangements for improving the system, will look into this matter also.

In the cable TV business first come the channels companies, then the major multi - channel - system - operators and then the cable operators and in the last the subscriber. In the business none cares for the subscriber , The government has cared for the subscriber and brought this Bill. I hope that the effort will be sustained in the future also.

The cable TV business needs to be declared as an industry. This business should not go again into the hands of the mafia and if needed we should ammend the law in this regard.

The cable operators, the multi channel system operator and the channel companies often under report the number of their subscribers to evade the charges and the taxes.

Sometimes we find several advertisement of liquor on cable TV. I would request the hon. Minister to take up the issue with the hon. Finance Minister to enquire whether any Indian company has released such advertisement and whether that company obtained the permission for the same from RBI or the Government of India.

I would like to know whether there would be some provision for free-to-air channels in the Set Top Box system. The record of subscribers should be available with the District Collector also, and not only with a major multi channel system operator so as to prevent the tax evasion. The cable operators should be asked to issue receipts for the amounts collected by them. They should be issued identity cards for carrying on their person while entering the house of a subscriber for collecting the monthly subscription.

Between the period from 1998 to 2002, there has been a steep rise in the charges of various pay channels; this increase in case of Star package is 980 per cent in case of ESPN 108 per cent, in case of the earlier free channel, Z TV 250 per cent. This situation has affected the subscribers adversely and some steps should be taken to control these things.

I support the Bill and request the hon. Minister to consider the issues raised here and amend the law to provide for all these things.

SHRI B. J. PANDA: The amendment to the seven-year old Cable TV Act is going to have a far-reaching impact on more than four crore households who have cable TV today, the broadcasting industry, the cable operators, and also, last but not the least, on the Government revenues. But at the core of this amendment, there is a simple principle, and that principle is consumer choice. This industry is a little more than one-decade old. In these eleven or twelve years, this industry has reached the staggering figure of four crore households. This growth has been made possible by a combination of many factors. The broadcasters have to be given credit for this because they have invested thousands of crores of rupees in developing the content upto world-class standards.

The Majority of channels all over the world are what is known 'as FTA, free to air, channels. All the channels available in India were earlier free-to-air channels, and, that is why, the cable operators were charging only their own infrastructure cost and the Indian consumer could get at only 100 rupees a large number of channels. So, what has gone wrong now. The first pay channel was started with the very light sum of two rupees and fifty paise in the year 1996. That was the only one channel till 1998. From 1998-99 onwards, most of the channels turned paid and till the year 2002, the increase in pay channel cost has been 1400 per cent. I don't think, any industry, anywhere in the world,

forget about India, had had 1400 per cent increase. In Brazil, today, in the year 2002, the percentage of viewership of free channels is 72 per cent compared to only 45 per cent in India. This is where the crux of the issue lies.

Besides the Indian consumer, the Government of India is also a victim of the situation, as the collection from entertainment tax and the service tax is only a pittance of under-reporting by the cable operators. The broadcasters are within their right to charge what they wish. But we must ensure that the Indian consumer has the right and the physical option of taking or buying what he can afford or he wishes to have. At the same time, we must also ensure that nobody is deprived of this revolution that is taking place.

In our country, it is a strange situation where the broadcasters and the distributors of the content are at loggerheads. Though they are at loggerheads, they are not suffering. They are all doing well. It is the consumer who is suffering. We must not permit it to happen. Perhaps, this industry has grown so rapidly. It is an immature industry. It is hardly 11 years old. Perhaps, that is why the purveyors of the content and the distributors of the content have not yet worked out a proper market relationship and that is why they are in conflict. That is why the Government needs to step in and mandate the consumer choice.

I would like to urge both the broadcasters and the cable operators, to realise that if they do not self regulate themselves, the Government is bound to step in.

SHRI N. K. PREMACHANDRAN: The broadcasters are alleging that the actual numbers of connections, which are being given by the cable network, are not being disclosed, and that the broadcasting houses are being cheated. The allegation of the cable network agencies is that they are not having sufficient number of connections and they are being overcharged by the broadcasting houses. I fully support this Bill because, today the consumer is being cheated because of this controversy. Even after the passing of the Bill, the cable TV operator is going to have the domain to declare the number of connections. I would like to seek a clarification from the hon. Minister as to how it will be supervised.

Regarding STB, the Government should prescribe uniform STBs so that consumer need not change it if he wants to change the cable operator. So far as free-to-air channel is concerned, there should be an independent authority to regulate the entire system. Moreover, if I have a cable television connection and a STB has been installed in my house, am I entitled to have access to the free-to-air channel? I would like to make a suggestion in regard to having 'the hub' at the national level. A total control can be done from 'the hub' through the Subscriber Management System. The hub can be run and managed by the Prasar Bharati Corporation itself. Again, while fixing the rates for various channels, the Central Government should take into consideration the total income earned by the 'pay channel' companies through advertisements.

I fully support the amendments made in this Bill.

SHRI AJAY MAROO: There is a proposal to make some amendments through this Bill in the Act formulated in 1995. The Cable Network covers about four crore families in the entire country and their number is increasing, day by day. Cable Operators keep on increasing the fees arbitrarily. Subscribers have to pay for those channels, which they do not want to see. Sony, Zee and Star TV have prepared their package and they charge 40 rupees per package.

Now, Government have intervened in the matter. Subscribers are going to be given relief and their rights are going to be protected through this Bill. Here, subscribers will have access to 'Free to Air' channels without making any payment.

In other arrangement, subscribers will have the right to choose the channels of their choice under 'pay channel' and for this, they will have to pay a fixed amount. In this arrangement, subscribers have to install a Set Top Box. Its price will depend upon its demand. If this demand goes upto 10 lakh, its price may come to fifteen hundred rupees. It is a must to have 'pay channels'. After the passage of this Bill, there will be a transparency in cable business.

Doubtlessly, there are some serials, which are adversely affecting our social fabric. In this regard, I expect some restrictions and guidelines to be issued. Secondly, our Governments will also be benefited from this. Once the number of subscribers is ascertained, the amount of Entertainment tax and Service tax will also increase. Now, exact popularity of a programme can be ascertained through this Set Top Box. I suggest that this should be implemented simultaneously in Metro cities and the capitals of other States in the first phase. I support the passage of this Bill.

SHRI RAJEEV SHUKLA: Now, Cable Operators, will have to give the details regarding the cable connections and the amount they are charging to Government. I think, this is the most important feature of this Bill. This will also boost the income of Government. There is one more thing that cable operators are doing injustice in respect of DD-1 and DD-2. These channels are not being shown on Cable TV. The provisions of penalty in this regard should be made more severe.

The complaint of Broadcasters is also genuine that cable operators do not pay them. But, the prices of pay channels have also increased 1400 times. If Star Plus have announced to cut 25 per cent, it is a welcome step. I think, other Broadcasters should also announce the same. So far as the advertisements are concerned, Government should have a uniform policy for all the Broadcasters including Doordarshan.

SHRI FALI S. NARINMAN: I welcome this Bill. Apart from other things, some attempts should be made under the news gathering information clause to ascertain as to how many breakdowns in transmission have been there during a single day, and to discipline cable service-providers so that they actually provide the service they profess to provide. Here, I would compliment the hon. Minister for not forgetting the consumers of

cable TV networks and responding to their grievances.

I would like to say that I don't like Censorship in any form. I think, instead of banning the undesirable programmes, these can be projected after ten or eleven P.M in the night.

Replying to the debate, the hon'ble Minister said: A total of fifteen colleagues have participated in the discussion on this Bill and all of them have given their support for it. I want to earnestly thank the entire House for giving me an overwhelming support.

Shri Prabhakar Reddy has expressed the apprehension that Government will decide about the channels which would be an unnecessary interference which the Government should not do. The Government is not going to specify the channels. The Government will decide the number and amount only. But which of the channels should be shown and which channels should not be shown, this will not be decided by the Government, but it will be decided by the subscribers themselves. The cable operator would only tell them about the channels available with him and the choice would be of the subscribers.

A number of hon'ble Members have asked about the price and availability of the 'Set Top Box'. As all of us know that initially these items are costly but as their demands increase, their prices begin to fall. However, its price will not be so high as the subscribers cannot afford, we have taken care of this. So for as its availability is concerned, it may have to be imported from where they are produced but later on, when its demand will increase, no imports would be necessary. Instead, it may become a booming industry.

As regards the stopping of showing, of 'FTV' and 'MTV' this Bill is a positive step in that direction because, the subscribers would get a chance to opt for a channel of their choice and the cable operator will ask you about your choice of channels.

Legal action will be taken against the violators of the provisions of this Bill. We have brought this Bill to save the subscribers who is suffering today. We have made a provision for specifying the amount also. It has been provided that maximum amount in the 'basic service tier' would be specified by the Government whereas the list of 'pay channel' would be demonstrated by the cable operator.

As regards the queries raised by Shri Satish Pradhan and Shri Rajiv Shukla about non-showing of Doordarshan by the cable operators on prime band, it is stated that we have decided "authorised officers' for this purpose and when a complaint is registered against a cable operator, they will take action against him.

There is a ban on advertisement regarding liquor on the television. This is not a means of earning money and it spoils our future generation.

Once the CAS comes into effect, the 'pay channel' will again become 'free to air channel' and their rates would also go down. Ultimately, the subscribers will get the relief because it is they who pay the cable operator.

Shri Ajay Maroo and Smt. Saroj Dubey have asked about banning the obscene programmes as well as programmes of extramarital relationships being shown on television. This has been my concern also and there is a need for 'content regulatory body' for it.

This is a Bill, which will provide great relief to the subscribers and keeping him in view it has been brought. He will be able to see the channels of his choice only and pay for it accordingly. The cable operators would desist from forced recovery of charges because it would not be their compulsion and so they would not be blamed. Besides, there would be transparency in reporting by the cable operator to the broadcaster and he cannot do under reporting. The Government would also receive full revenue. I express my gratitude to all of you who have extended their support to this Bill and request that the Bill be passed unanimously.

The motion for- consideration of the Bill was adopted.

Clauses etc. were adopted.

The Bill was passed.

YOGENDRA NARAIN,
Secretary-General.