

TELECOM REGULATORY AUTHORITY OF INDIA

7th March , 2006

PRESS RELEASE No. 21/ 2006

Subject: Amendment to Telecommunication (Broadcasting and Cable)
Services (Second) Tariff Order, 2004 (6 of 2004) dated 1.10.2004

A batch of petitions was filed by a couple of Associations of Hotels and Restaurants against leading broadcasters in Telecom Disputes Settlement and Appellate Tribunal. The dispute basically pertained to the fact whether the hotels and restaurants can be equated with domestic consumers for the provision of cable TV service and there were also other connected and consequential issues under adjudication. The Hon'ble TDSAT while adjudicating on the issues of dispute in its judgment dated 17th January, 2006 had observed that the Regulator should also consider whether it is necessary or not to fix the tariff for commercial purposes in order to bring about greater degree of clarity and to avoid any conflicts and disputes arising in this regard.

2. TRAI also received a representation from the Federation of Hotel and Restaurant Association of India (FHRAI) in which they had interalia requested TRAI to fix Tariffs for hotels as per normal procedure and also to issue a restraining order on the broadcasters stating that they (broadcasters) may not charge arbitrary rates fixed for hotels and restaurants till the regulations are framed by TRAI.

3. The Authority considered the observations made by the Hon'ble TDSAT and the representation of FHRAI in the context of the judgment of the Hon'ble Tribunal. The issue of need or otherwise to fix tariff for commercial purpose and the method and manner of fixing specific commercial tariff are connected issues and needs a detailed consultation and examination. The Authority is considering the course of action on this separately.

4. In the meanwhile keeping in view the observations of Hon'ble TDSAT and the representation of FHRAI, the Authority has considered appropriate, in the interim, to extend the protection of ceiling to the commercial cable subscribers as well. This protection in respect of Commercial Cable Subscriber will however be available at the level of the rates prevailing on 1st March 2006. To give effect to this a Tariff Amendment Order has been issued in which the words Ordinary Cable Subscriber, Commercial Cable Subscriber has been defined and the definition of 'charges' has been amended and a new clause to give effect to the relevant date for determining the ceiling in respect of commercial cable subscriber has been introduced.

5. The proposed amendment is intended to be a short-term measure and would be reviewed on the basis of detailed examination as indicated in para 3.

6. The text of the Tariff Amendment Order along with the explanatory memorandum is available on TRAI's website: www.traigov.in
