

Information Note to the Press [Press Release No.112./2018]
For Immediate Release

TELECOM REGULATORY AUTHORITY OF INDIA

TRAI conducts a half-day Interactive Session on "**New Regulatory Framework for Broadcasting & Cable Services**" at New Delhi

New Delhi, 19th November, 2018: Telecom Regulatory Authority of India (TRAI), over the years, has been regulating Telecom & Broadcasting Services, mainly driven by the objective of protecting the interests of service providers and consumers. TRAI has played an important role in shaping the regulatory and policy framework governing the sector by making timely interventions through regulations, tariff orders, directions and recommendations to the Government. Keeping the mandate of TRAI Act in focus, TRAI conducted a half-day Interactive Session on "**New Regulatory Framework for Broadcasting & Cable Services**" at New Delhi.

2. Dr. R.S. Sharma, Chairman, TRAI while welcoming all the participants highlighted the benefits of the new regulatory framework in broadcasting sector. "*Transparency, Non-discrimination, Protection of Consumer interest and enabling orderly growth of the sector remain the core philosophy of new framework*", said TRAI Chairperson. Sh. H. Pradeep Rao, Member TRAI, Sh. S.K. Gupta Secretary TRAI and other senior officers were present in the interactive session. In his presentation Sh. S.K. Gupta Secretary TRAI focussed on the benefits that the new framework is likely to bring to consumers. Sh. Gupta also shared that the new framework is a result of wide-ranging consultations and balances the interests of various service providers.

3. The Cable TV sector has been digitized pursuant to notification no. 2120 dated November 11, 2011, issued by Ministry of Information and Broadcasting. The phase wise digitization of the Cable TV sector has been completed in March 2017. In consonance with digitization, TRAI notified new regulatory framework on 3rd March 2017:-

- i. *The Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff Order, 2017*
- ii. *The Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) Regulations, 2017*
- iii. *The Telecommunication (Broadcasting and Cable) Services Standards of Quality of Service and Consumer Protection (Addressable Systems) Regulations, 2017*

4. TRAI organized this interactive session to create awareness amongst various service providers and the consumers at large. The interaction was aimed at ensuring smooth implementation of the new regulatory framework as per prescribed timelines. The session was attended by various participants representing Consumer Advocacy Groups, Broadcasters, Distribution Platform owners, Local Cable Operators and Industry Associations.




5. A detailed presentation on various important facets of the new Regulatory Framework was made by TRAI officers. Key features highlighting the benefits of the new framework are as per Annexure A.

6. The presentations were followed by an interactive Q&A session and discussions. Participants' doubts and concerns were clarified by the TRAI Chairman and other officers.

7. For further details, the following Officers may be contacted:

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(S.K. GUPTA)
Secretary (TRAI)
19.11.2018

Brief on New Regulatory Framework in Broadcasting and Cable sector

November 19, 2018

1. Digitization started in 2012 in Cable TV sector and completed by end of March 2017. The purpose of digitization was to bring in transparency and provide real choice to the consumers.
2. The previous regulatory regime was designed keeping in mind the Analogue systems. Due to digitization the regulation required a comprehensive review and overhaul.
3. These issues were looked at by TRAI from Tariff, Interconnection, and Quality of Service angles. A review exercise was carried out through multiple rounds of consultative process.
4. Broadcasters wanted freedom to price their TV channels and maximise subscription and advertisement revenues.
5. In the previous regulatory regime Distribution Platform Owners (DPOs) fixed the price of channels for consumers. Broadcasters who were providing Free to Air Channels (mainly in News and Current Affairs segment) felt that Free-to-Air channels should be available to the customers without any charges.
6. DPO's used to demand heavy carriage fee for carrying new channels or channels that had lower demand. Broadcasters submitted that the carriage fee charged by the DPOs should be rationalised through regulations.
7. DPO's did not have any revenue assurance to continuously upgrade their network to provide better Quality of service to the Consumers. They submitted that they need specific revenue stream to enhance quality of service to provide better quality to consumers.
8. Fixed deals and lack of trust plagued the industry. Sudden disconnections were common phenomenon due to failure to enter into commercial agreements. Recent disconnection of all the Sony channels by Tata Sky is one such example.
9. In the previous regime customers were forced with buying bouquets of channels thereby limiting their choice. Even the FTA's were being bundled in bouquets to enhance the uptake of bouquets.



How the new regulatory framework addresses issues and enables Customers?

- a) The broadcasters have been given complete flexibility to price their channels on a-la-carte basis..
- b) A customer will have choice to subscribe channels on a-la-carte basis. While the broadcasters have freedom to make bouquets, the bouquet cannot contain FTA Channels, channels with MRP more than Rs. 19, HD and SD variant of the same channels. This will protect the interest of the consumers, so as to avoid illusory offers and perverse pricing.
- c) DPOs can charge a maximum of Rs.130 (excluding taxes) as network capacity fee for providing 100 SD channels. This ensures availability of certain minimum number of channels to consumers and a firm revenue stream for the DPOs. This will permit up-gradation of the network to give better quality and additional services to the consumers.
- d) Transparency, must provide and must carry are the underlying principles of new regulatory regime.
- e) Carriage fee has been capped to 20 paisa per subscriber per channel. The carriage fee reduces as the subscription for the channel increases and becomes zero when the subscription reaches to 20% of the total subscribers base of the DPO.
- f) From consumer point of view, uniform quality of service regulations has been prescribed for all addressable platforms.
- g) A consumer will be able to see all the channels with their price on the Electronic Program Guide (EPG). This brings in transparent offering and enables choice for the customer.
- h) For the purpose of generating consumer awareness and to provide all required information at one place, the provision of consumer corner and subscriber corner has been mandated on their website.
- i) Quality of Service regulations have simplified and streamlined the provisions relating to consumer premises equipment / STBs.
- j) Provision of call centre for grievance handling has been made mandatory through new regime.

