

Information note to the Press (Press Release No.98/2016)

For Immediate release

TELECOM REGULATORY AUTHORITY OF INDIA

TRAI releases draft Telecommunication (Broadcasting and Cable Services) (Eighth) (Addressable Systems) Tariff Order, 2016

New Delhi, 10th October, 2016 - The Telecom Regulatory Authority of India (TRAI) has today released draft Telecommunication (Broadcasting and Cable Services) (Eighth) (Addressable Systems) Tariff Order, 2016.

2. In order to create an enabling environment for orderly growth of the television broadcasting sector in the light of various developments related to technology, emergence of multiple distribution platforms, evolving business models, and enhanced addressability across platforms, a comprehensive review of the existing tariff framework for the addressable systems has been undertaken by TRAI. A need was felt to evolve a tariff structure that enables the consumers with the freedom to choose from an array of attractive and affordable a-la-carte and bundled television broadcasting services as per their preferences and paying capacity.

3. Accordingly, TRAI issued the Consultation Paper on "Tariff issues related to TV services" on 29th January 2016 for seeking stakeholders comments. In response, a total of 60 comments and 10 counter-comments were received from stakeholders including consumers. Subsequently, two Open House Discussions (OHDs) were held, first on 8th April 2016 in New Delhi and second on 21st April 2016 at Raipur, Chhattisgarh, where the issues were discussed at length with the stakeholders present. Based on the comments/views of the stakeholders and the analysis, various provisions related to tariff have been worked out.



4. While framing this draft Tariff Order, the emphasis of the Authority is to ensure transparency, non-discrimination, consumer protection and create an enabling environment for orderly growth of the sector.

5. In the draft Telecommunication (Broadcasting and Cable) Services (Addressable Systems) Tariff Order, 2016, a new tariff framework has been proposed wherein customers have been provided with adequate choice to select channels of their choice while ensuring transparency in the entire value chain. Salient features of the draft Tariff Order are:

- Broadcasters to declare maximum retail price (MRP) (excluding taxes) of their a-la-carte pay channels for subscribers.
- A broadcaster can also offer bouquet(s) of its pay channels and declare MRP (excluding taxes) of bouquet(s) for subscribers. However, MRP of such bouquet(s) of pay channels will not be less than 85% of the sum of maximum retail price of the a-la-carte pay channels forming part of the bouquet.
- Genre wise ceiling on MRP of channels have been prescribed.
- Broadcasters can introduce 'Premium' channels which have no ceiling on MRP and will be offered to subscribers only on a-la-carte basis.
- Distributors of television channels permitted to form bouquets only from a-la-carte channels of broadcasters. However, retail price of such bouquet of pay channels will not be less than 85% of the sum of retail prices of the a-la-carte pay channels forming part of the bouquet.
- Separate bouquet for Pay and Free to Air channels.
- Charges payable by a subscriber for network capacity and content have been separated.
- Monthly rental amount of maximum Rs. 130 (excluding taxes) per set top box, to be paid by a subscriber to the distributor of television channels for a capacity of 100 SD channels.
- Within the capacity of 100 SD channels, in addition to channels notified by the Central Government to be mandatorily provided to subscribers, a



subscriber will be free to choose any free to air channel(s), pay channel(s), premium channel(s) or bouquet(s) of channels offered by the broadcasters or bouquet(s) of channels offered by the distributor of television channels.


- No separate charges, other than the rental amount, to be paid by the subscribers for subscribing to free to air channels or bouquet of free to air channels.
- The additional capacity, beyond initial one hundred channels capacity, can be availed by a subscriber in the slabs of 25 SD channels each, by paying an amount not exceeding Rs. 20/- per such slab, excluding taxes, per set top box per month.
- A subscriber can chose a-la-carte channels of its choice.
- A subscriber has to pay separate charges, other than the rental amount, for subscribing to pay channels or premium channels or bouquet of pay channels.
- Distributors of television channels have to offer at least one bouquet, referred to as basic service tier, of 100 free to air channels including all the channels notified by the Central Government to be mandatorily provided to the subscribers.
- Any bouquet, formed by either the broadcaster or the distributor of television channels will not contain HD and SD variants of the same channel as well as any premium channel.

6. As part of the consultative process, draft Telecommunication (Broadcasting and Cable Services) (Eighth) (Addressable Systems) Tariff Order, 2016 has been uploaded on the TRAI website. The intent to upload the draft Tariff Order is to give an opportunity to the stakeholders to offer their comments, if any on proposed tariff framework. The exercise also brings transparency while bringing change in existing regulatory framework. It will be appreciated if stakeholders provide their comments with adequate justification, data and analysis on the completeness and consistency of the framework



provided in the draft Tariff Order. Stakeholders are requested to offer their comments/ views latest by 24th October, 2016. The comments may be sent, preferably in electronic form, on the e-mail: pradvbcs@traigov.in or vk.agarwal@traigov.in. For any clarification/information Mr. S. K. Gupta, Pr. Advisor (B&CS) may be contacted at Tel. No.: +91-11-23220018, Fax: +91-11-23220442. Comments will be posted on TRAI's website.

6. The full text of the draft Tariff Order is available on TRAI's website www.traigov.in.


10.10.2016
(S. K. Gupta)
Secretary I/c