

**Information Note to the Press [Press Release No. 121 /2018]
For Immediate Release**

TELECOM REGULATORY AUTHORITY OF INDIA

Implementation of New Regulatory Framework for Broadcasting & Cable Services Sector

New Delhi, 18 December, 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.

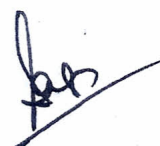
2. In the light of complete digitisation in the cable sector in March, 2017, TRAI prepared the new regulatory framework to ensure orderly growth of the sector after due consultative process that lasted more than one and a half year. The framework comprises of:

- 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*

3. The framework was duly notified vide press release no. 71/2018 dated 3rd July 2018 with revised timelines and as upheld by Hon'ble High Court of Madras. All the timelines prescribed in the above-mentioned framework commenced from 3rd July 2018.

4. Since the press notification, the stakeholders in-general, have been complying with various activities as per prescribed timelines in preparation for implementation of the new framework. As the date of migration of the subscribers under the new framework is approaching, the Authority has observed malfeasance by some of the stakeholders. Such stakeholders are resorting to perpetrate fabricated and concocted facts. This press release is being issued to clear the misgivings and bring out the factual information for the benefit of the consumers and service providers.

5. The new regulatory framework ensures that the real and informed choice is made available to consumer. As per the new framework the consumer will get to choose the channels of her/ his choice. The freedom of choice will mean a direct control of the consumer on his monthly bill for Television Services.



6. It is being perpetrated that a consumer family that watches 250 channels will end up paying much higher amount than at present. This is a fictional pretention. As per data provided by BARC¹ more than 90% of TV Homes (family homes) view/ flip 50 or lesser number of channels. Therefore any analysis that keeps 250 or more channels for pricing of monthly tariff results in creating a false impression. If Consumer chooses the channel which he really watches, then he will be paying lesser amount compared to what he/she is paying as of now. Moreover, the new framework provides that the channels which are provided on free to Air (FTA) basis by broadcasters cannot be priced by the distributors. In previous regime various distributors (Multi-System Operators/ DTH Service Providers/ HITS or IPTV service providers) were pricing even such Free to Air Channels. Stakeholder may note that out of 873² channels more than 500 TV channels are provided by broadcasters on free to air basis.

7. The new framework brings clarity and transparency in pricing by separating the network capacity fee and pay channel price. Given the fact that nearly 90 % TV Homes watch less than 50 channels, the authority with a view to provide full choice to the consumer has prescribed a basic tier of 100 channels with a network capacity fee of Rs. 130 only. There will be no additional charge for providing any free to air channel. Any subscriber who opts for more than 100 channels (a rare choice of less than 10 % consumers) can choose additional channels in each slab of 25 channels @Rs. 20 per slab.

8. The consumer can choose pay channels of her/his choice on a-la-carte basis or in form of bouquets made by Broadcasters as-well-as by the distributors. The new framework provides for complete transparency on Pay Channel pricing structure whereby no distributor can charge above the MRP declared by a broadcaster. Subscriber may choose channels from the distributor either in a-la-carte form or bouquet or combination of both. The MRP declared by the Broadcasters will be available on the Electronic Program Guide EPG of each Distributor.

9. The Authority is overseeing the developments and tariff offers by various service providers. The authority will intervene in the sector in case of any malfeasance or malpractice and will act in the interest of consumers, keeping a balance of interest among the service providers. Some comparisons between the comprehensive bouquet prices of previous regime with those of the a-la-carte prices offered under the new regime are being circulated on social media. Such comparison is skewed and is far from the real market discovered prices that are most likely to be in vogue, once the new framework kicks-in.

¹ BARC- Broadcast Audience Research Council

² Number of TV Channels as on 17.12.2018 as per data on MIB Website <https://www.broadcastseva.gov.in>



10. Some messages stating that on the date of transition (that is on December 29, 2018), there will be a total black-out of the channels that are of the choice of the consumer. Nothing can be further from the truth as the consumer will get full and real choice over the TV channels that are provided to her/ him. All consumers are requested to contact their TV service provider through their registered mobile number or through the call centre to provide explicit choice of the channels they wish to continue to watch. The consumer will be provided with clear and transparent information on the pricing of channel. Free to air channels will have to be provided free and with no conditions. Misconceptions by misconstruing Network Capacity Fee with the price of FTA channels are being pushed to raise confusion and suspicion among consumers. TRAI has prepared model tariff plans which clearly establish that the prices of broadcast services are likely to be limited below the offered prices in previous regime. Please visit the FAQ section on TRAI website www.trai.gov.in for more details.

11. Some LCOs are also being misled to believe that the new regime will bring down their earnings. This is not based on reasoned analysis. The new framework brings in a structure of assured revenue for MSO and LCO under the network capacity fee. Further LCOs have the flexibility to negotiate their revenue share with the MSOs as per the structure provided under MIA. The new framework does not alter the prevailing market structure under MIA/ SIA based regime that exists since March 2016. The underlying Standard Interconnect Agreement (SIA) mitigates the risks of LCOs that can arise out of delayed/ failed negotiations. In previous regime (previous to MIA/ SIA based structure) such delayed/ failed negotiations could result in black-out. However availability of a fall-back mechanism under SIA regime safeguards the interests of LCOs/consumers from any eventuality of black-out or disconnection of signals.

12. Therefore the Authority reiterates that the new framework is a comprehensive code that balances interests of service providers and consumers. Once implemented, it will bring in an era of transparent tariffs and usher in better programming at most competitive prices.

13. In case you need any more clarifications or the details of the new framework, please feel free to contact following officers of Broadcasting and Cable Services Division of the Authority:

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