

**TELECOM REGULATORY AUTHORITY OF INDIA**

**Network Capacity Fee (NCF) for Second/Additional Connection is not mandatory**

**New Delhi, 8<sup>th</sup> February, 2019:** Telecom Regulatory Authority of India (TRAI), in March, 2017, notified the 'New Regulatory Framework' (or the New Framework) for Broadcasting and Cable services, comprising of the (i) Telecommunication (Broadcasting and Cable) Services (Eighth)(Addressable Systems) Tariff Order, 2017, (ii) Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) Regulations, 2017 and (iii) Telecommunication (Broadcasting and Cable) Services Standards of Quality of Service and Subscriber Protection (Addressable Systems) Regulations, 2017. The new framework has come into effect on 29<sup>th</sup> December, 2018. However, to provide sufficient time to subscribers for exercising their options, the Authority provided time up to 31<sup>st</sup> January, 2019. All the Distribution Platform Owners<sup>1</sup> (DPOs) are required to migrate the subscribers as per their choice with effect from 1<sup>st</sup> February, 2019.

2. Few subscribers have raised the issue regarding the price of the second/multi TV connection at home. It has been clarified by the Authority that the Regulation provides a capping of Rs. 130/- as Network Capacity Fee (NCF) for 100 SD channels and Rs. 20/- for the slab of next 25 SD channels. Further, the regulation does not prohibit the service providers to offer discount or lower Network Capacity Fee for second/additional connections in same location/ home. However, it may be noted that such discount shall be uniform in the target market area of respective TV channel distributor and duly declared by the DPO (Distribution Platform Operator) on their website. Pursuant to the same now few service providers have started offering the discount/complete wave off of Network Capacity Fee (NCF) on second/additional TV connections in home.



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<sup>1</sup> Direct To Home (DTH) service providers, Multi System Operators (MSOs) and Headend Into The Sky (HITS) operators are collectively referred as Distribution Platform Owners (DPOs)



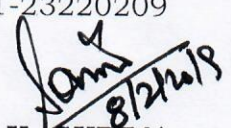
3. The new framework promotes consumer choice and enables the subscribers to pay for what they really watch. The new framework has been designed after balancing and providing for the proportionate revenue for various service providers in the service provisioning value chain. The basic architecture of the framework provides for fair competition among broadcasters and the real prices will be discovered after few months of market play. The analysis of preliminary data of few large DPOs reflects actual savings by subscribers to the tune 10 to 15 % in Metro Towns and between 5 to 10% in Non-Metro (DAS 3 and DAS 4) areas.
4. Consumer has complete freedom to choose their desired 100 Standard Definition (SD) channels within the network capacity fee of maximum Rs.130/-. The desired channels could be in a-la-carte Free to Air channels or Pay channels or bouquet of pay channels or any combination thereof. The choice completely rests with the consumers.
5. DPOs are providing various options to consumers to exercise their choice. These methods include Personal contact by Local Cable Operator, Calling on Call Centre Number, Using Mobile Apps or through DPO Website.
6. The new regime empowers the subscribers to change their choices whenever they desire. They can add or delete channel for a month or for multiple months, i.e at the end of each billing cycle, thereby providing enough flexibility. All the subscribers are requested to choose wisely and select those channels that they wish to watch.
7. It has also come to notice of the Authority that some subscribers have taken long term packs prior to implementation of this regulation. They were concerned if they can continue to avail the services for the contracted period in new framework also. In this regard, it is clarified that consumers can continue to get the services for the contract period without any change in terms and conditions if they so desire. However, consumers has freedom to choose the channels of their choice if they exercise this



option. Then money for the remaining period shall be adjusted against the channels so selected by the subscribers.

8. In case any further clarifications or details are required the following officers may be contacted:

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