

TELECOM REGULATORY AUTHORITY OF INDIA


TRAI initiates consultation on restricting the role of authorized Distribution Agencies (Aggregators) in TV channel distribution.

New Delhi, 6th August, 2013: The Telecom Regulatory Authority of India (TRAI) has today released a consultation paper on Distribution of TV Channels from Broadcasters to Platform Operators.

2. The broadcasting and cable TV services sector is a content driven market. Unless a distribution platform carries all the channels popular in a relevant market, it cannot be a viable distribution platform. In India, TV channels are being distributed by the broadcasters themselves or through their authorized distribution agencies to the distribution platform operators e.g. MSOs, DTH operators etc. Many such agencies (aggregators) operate as authorised agents for more than one broadcaster. As on date, the distribution business of around 75% of the total pay TV market is controlled by four authorised distribution agencies. The channels being distributed by these authorized distribution agencies include almost all the popular pay TV channels. These authorized distribution agencies wield substantial negotiating power which can be, and is often misused leading to several market distortions.

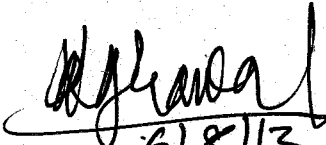
3. Concerns have been vehemently voiced by various MSOs and LCOs regarding the monopolistic practices of major authorised distribution agencies of broadcasters, in view of their control over a large number of popular channels. The present regulatory regime for broadcasters and their authorised distribution agencies *vis-a-vis* the current role and activities of authorised distribution agencies as aggregators, has prompted the need to review the present regulatory framework. While this was under examination, the Ministry of Information and Broadcasting (MIB), citing several complaints from MSOs about the modus operandi of such entities, has also sent a reference to TRAI for review of the regulatory framework.

4. The consultation paper contains a proposal to amend the regulatory framework by adding provisions that clearly demarcate the role and responsibilities that can be assigned by the broadcasters to their authorised distribution agencies for distribution of


6/8/13

TV channels to various platform operators. These roles and responsibilities can be summarised as under:

- (1) The Broadcaster (and not the aggregator) shall publish its Reference Interconnect Offer (RIO) and enter into Interconnection Agreements with the distribution platform operators.
- (2) If a broadcaster appoints a person as its authorised distribution agent, it shall ensure that---
 - (a) the authorised distribution agent does not change the composition of the bouquet formed by the broadcaster while providing it to the distributors of TV channels;
 - (b) the authorised distribution agent does not bundle bouquet or channels of the broadcaster with the bouquet or channels of other broadcasters. In other words, in case the authorised distribution agency represents more than one broadcaster, they shall not link offerings of the broadcasters they represent.
 - (c) while acting as an authorised distribution agent, such person acts for, on behalf and in the name of the broadcaster.
5. Three months time is proposed to be given for reworking the Reference Interconnect Offers (RIOs), entering into interconnect agreements and filing the same with the Authority.
6. The stakeholders have been requested to offer their views/comments latest by 27th August 2013. The comments may be sent, preferably in electronic form to Mr. Wasi Ahmad, Advisor (B&CS), Telecom Regulatory Authority of India, Mahanagar Doorsanchar Bhawan, Jawahar Lal Nehru Marg, New Delhi - 110002, (Tel No. - 011-23237922, Fax No. - 011-23220442) on the e-mail address traicable@yahoo.co.in Comments received will be posted on the website of TRAI.
7. Full text of the consultation paper is available on TRAI's website: www.traigov.in.


6/8/13
Rajeev Agrawal,
Secretary, TRAI