

TRAI notifies Amendments to the Regulatory Framework for Broadcasting and Cable Services

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The Telecom Regulatory Authority of India (TRAI) today issued the Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff (Third Amendment) Order, 2022 (4 of 2022) and the Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Fourth Amendment) Regulations, 2022 (2 of 2022).

In consonance with the complete digitization of the cable TV sector, TRAI on 3rd March 2017 notified the 'New Regulatory Framework' for Broadcasting and Cable services. After passing legal scrutiny in Hon'ble Madras High Court and Hon'ble Supreme Court, the new framework came into effect from 29th December 2018.

As the New Regulatory Framework changed quite a few business rules, many positives emerged. However, upon implementation of the New Regulatory Framework 2017, TRAI noticed some inadequacies impacting the consumers. To address certain issues that arose after implementation of new regulatory framework, after a due consultation process with stakeholders, TRAI on 01.01.2020 notified the New Regulatory Framework 2020.

Some stakeholders challenged provisions of Tariff Amendment Order 2020, Interconnection Amendment Regulations 2020 and QoS Amendment Regulations 2020 in various High Courts including in the Hon'ble High Court of Bombay and Kerala. Hon'ble High Courts upheld the validity of New Regulatory Framework 2020 except for a few provisions.

The provisions related to Network Capacity Fee (NCF), multi-TV homes and long-term subscriptions of New Regulatory Framework 2020, have already been implemented and due benefits are being passed on to the consumer at large. Every consumer now can get 228 TV channels instead of 100 channels earlier, in a maximum NCF of Rs. 130/-. It has enabled consumers to reduce their NCF for availing similar number of channels as per 2017 framework, by an estimated cost varying Rs. 40/- to 50/-. Additionally, the amended NCF for multi-TV homes have enabled further savings to the consumers to the tune of 60% on second (and more) television sets.

However, as per RIOs filed by the broadcasters in November 2021, the new tariffs reflected a common trend i.e., the prices of their most popular channels including sports channels were enhanced beyond Rs. 19/-per month. Complying to the extent provisions, as regards the inclusion of pay channels in a bouquet, all such channels those are priced beyond Rs. 12/- per month are kept out of bouquet and are offered only on a-la-carte basis. The revised RIOs as filed indicate a wide-scale changes in composition of almost all the bouquets being offered.

Immediately after new tariffs were announced, TRAI received representations from Distribution Platform Operators (DPOs), Associations of Local Cable Operators (LCOs) and Consumer Organizations. DPOs highlighted difficulties likely to be faced by them in implementing new rates in the system and migrating the consumers to the new tariff regime through the informed exercise of options impacting almost all bouquets, especially due to upward revision in the rates of pay channels and bouquets

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declared by broadcasters. Therefore, TRAI engaged with all the different associations and consumer groups including representatives of LCOs.

To deliberate on the various issues related to implementation of New Regulatory Framework 2020 and suggest a way forward, a committee consisting of members from Indian Broadcasting & Digital Foundation (IBDF), All India Digital Cable Federation (AIDCF) & DTH Association was constituted under the aegis of TRAI.

The purpose of the Committee was to facilitate discussions among various stakeholders to come out on a common agreed path for smooth implementation of Tariff Amendment Order 2020. Stakeholders were advised to come out with an implementation plan with minimum disruptions and hassles to the consumers while implementing the New Regulatory Framework 2020.

The Committee listed several issues related to New Regulatory Framework 2020 for consideration. The stakeholders, however, requested TRAI to immediately address critical issues which could create impediments for smooth implementation of Tariff Amendment Order 2020.

In order to address the issues as identified by the stakeholders' committee; TRAI issued a consultation paper for seeking stakeholders' comments on points / issues which are pending for full implementation of New Regulatory Framework 2020. The consultation paper sought comments and suggestions from various stakeholders, on issues related to discount given in the formation of the bouquet, ceiling price of channels for inclusion in bouquet, and discount offered by broadcasters to DPOs in addition to distribution fee.

The Authority analysed the comments of the stakeholders and to protect the interests of consumers has notified the amendments to Tariff Order 2017 and Interconnection Regulations 2017. The main features of the amendments are as follows:

Continuance of forbearance on MRP of TV channels

Only those channels which are having MRP of Rs.19/- or less will be permitted to be part of a bouquet.

A broadcaster can offer a maximum discount of 45% while pricing its bouquet of pay channels over the sum of MRPs of all the of pay channels in that bouquet.

Discount offered as an incentive by a broadcaster on the maximum retail price of a pay channel shall be based on combined subscription of that channel both in a-la-carte as well as in bouquets.

All the broadcasters shall report to the Authority, any change in name, nature, language, MRP per month of channels, and composition and MRP of bouquets of channels, by 16th December 2022, and simultaneously publish such information on their websites. The broadcasters who have already submitted their RIOs in compliance of the New Regulatory Framework 2020 may also revise their RIOs by 16th December 2022.

All the distributors of television channels shall report to the Authority, DRP of pay channels and bouquets of pay channels, and composition of bouquets of pay and FTA channels, by 1st January 2023, and simultaneously publish such information on their websites. DPOs who have already submitted their RIOs in compliance of the New Regulatory Framework 2020 may also revise their RIOs by 1st January 2023.

All the distributors of television channels shall ensure that services to the subscribers, with effect from 1st February 2023, are provided as per the bouquets or channels opted by them.

TRAI in the present amendments, addressed only those critical issues which were suggested by the Stakeholders' Committee to avoid inconvenience to consumers while implementing the Tariff Amendment Order 2020. The Stakeholders' Committee also listed other issues for subsequent consideration by TRAI. In addition, the Authority held multiple meetings with representatives of LCOs including an online meeting which was attended by more than 200 LCOs from across the country. Several issues were put forward during these meetings. TRAI has noted the suggestions and may take further suitable measures to address the ensuing issues, if the situation warrants.

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