

Regulatory issues in Broadcasting & Distribution Sector

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Telecom Regulatory Authority of India (TRAI)

- TRAI was established in 1997 under the TRAI Act 1997.
- TRAI was entrusted with responsibility of regulating broadcasting and cable services in 2004.
- Authority consists of the Chairman, two full time members & two part-time members.
- TRAI has recommendatory as well as regulatory functions.
- TRAI regulates the Telecom, and Broadcasting & Cable TV sectors.

Functions and powers of TRAI

- **Regulatory**- Interconnection, Quality of Service, Tariffs etc.
- **Recommendatory** – Need and timing for introduction of new service providers, terms & conditions of license, competition, technological improvement & development, spectrum management etc.
- To regulate the broadcasting and distribution sector, TRAI issues Regulations, Orders and Directions from time to time.
- In cases of violations of directions, orders or regulations notified by TRAI, it files complaint in the court of CMM. TRAI frequently exercise this power and quite a few cases have been filed in Hon'ble CMM court in Delhi.
- The **disputes** amongst the service providers comes under jurisdiction of Hon'ble TDSAT.

Regulatory principles/ objectives

- Transparency.
- Participatory decision making.
- Timely decisions.
- Better services at affordable prices.
- To ensure level playing field amongst service providers.
- Overall development of the sectors.
- Protect interests of service providers as well as that of consumers.
- To maintain technology neutral policy.

Procedure followed for framing Regulations/ Recommendations

- Issue of consultation paper.
- Invite stakeholder comments/ counter comments.
- Hold Open House Discussions, if necessary.
- Discussions with stakeholders, if necessary.
- Analyze and address stakeholder's views.
- Issue Regulations/ Recommendations .

TV Broadcasting sector- a snap Shot

- Broadcasting and cable TV sector consists of large number of service providers. Many of them are individual person firms and not the companies registered under the Companies Act.
- It consists of **250 Broadcasters** (54 are pay broadcaster) owning around **825 channels**.
- There are approximately **6000 MSOs** out of which approximately 500 MSOs have registered for providing cable TV services in DAS areas.
- There are more than **60000 local cable operators** directly or indirectly getting signal from broadcasters and MSOs.
- There are **6 Pvt. DTH Operators**.
- **2 HITS operators**.

Cable TV Act and Rules

- The operation of cable television is governed by the Cable Television Network Regulation Act, 1995 (CTN Act) and rules made there under.
- The unauthorized retransmission, unencrypted transmission in DAS notified areas, piracy and related issues are governed by the CTN Act.
- All the issues relating to **violation of the cable TV act and the rules are to be addressed by the Authorized officer** as per the provisions of the CTN Act and rules.

Regulatory Framework for Broadcasting and Distribution Sector

- **Tariff Orders:**

- Prescribes wholesale tariff , retail tariff, and the Revenue share amongst the service providers i.e. Broadcasters, MSOs, DTH operators, HITS operators, IPTV operators, and Local Cable operators.
- STBs/ CPEs to be offered on outright purchase basis and rental basis or hire-purchase basis. Customer is free to choose any of the scheme offered by the MSO.

- **Interconnection Regulations:**

- Mandate written interconnection agreements between service providers, before distribution of signal.
- Provide regulatory framework for interconnection agreements non-exclusivity, and non-discrimination basis between service providers.
- Based on notified regulations, service providers finalize the commercial and technical terms & conditions to arrive at an agreement.

- **Quality of Service Regulations provide framework for:**

- Connection, disconnection, transfer and shifting of cable and satellite TV services.
- Consumer complaint handling and redressal.
- Consumer billing Procedure and handling of billing related complaints.
- STB related issues and handling complaints thereof.

Regulatory issues in Broadcasting & Distribution Sector

The regulatory issues in broadcasting and distribution sector can be broadly categorized under the following headings :-

1. Lack of transparency in the business transactions.
2. Issues related to mutual agreement between service providers.
3. Transition from un-addressable to addressable environment.
4. Issues relating to provisioning of Set Top Box (STB), their quality and commercial interoperability.
5. Effective choice of channels on a-la-carte as well as bouquet basis to the subscribers.
6. Issue of proper bills and receipts to the subscribers.
7. Manual registration of Local Cable Operators with Post Offices.
8. Consumer grievance redressal in effective and accountable manner.
9. Duration of advertisements in TV programs.

Recent initiatives taken by TRAI

- TRAI has floated a comprehensive Consultation paper on the tariff related issues in Broadcasting sector.
- Work is in progress to holistically review regulatory framework for broadcasting and cable services including Interconnection and QoS.
- Digitization under Phase III have been completed by 70%. Further completion depends on outcome of court cases pending in various courts.
- TRAI has floated a Model and Standard Interconnection agreement between MSOs and LCOs for consultation. This is being finalized on priority basis.
- TRAI has modified Interconnection regulations to ensure that no service provider provides any service without having valid agreement.
- TRAI is in dialogue with Department of post, NIC and MIB for development of on-line registration mechanism for LCOs.
- Directions have been issue to Broadcasters and DPOs not to display notice for disconnection on full or partial screen that affect normal viewing experience of consumers.

Recent initiatives taken by TRAI

- To increase the awareness about the regulatory framework, TRAI held interactions with MSOs and LCOs in various parts of the country.
- TRAI issued “DO’s and DON’Ts” in simple language on TRAI website to help the stakeholders understand their rights and obligation.
- Frequently asked questions are also made available on TRAI website.
- TRAI released a consumer handbook in various regional languages.
- TRAI have ensured that all broadcasters devise a common format of application through which DPOs can seek signals of TV channels and make it available on their website. Such format is also available on TRAI website.
- TRAI issued directions to some of the broadcasters for not demanding documents which are not necessary for signing of agreement.
- Complaints have been filed against few MSOs before CMM court for violation of the interconnection regulations.

Recent initiatives taken by TRAI

- TRAI has communicated to MSOs to ensure rectification of consumer complaints within 24 hrs as per the Regulation. For that purpose, spare set-top-boxes must be given to LCOs to ensure speedy repair.
- MSOs have also been instructed to give priority to the complaints received from LCOs as most of the customers approach LCOs for redressal of their complaints.
- MSOs have also been instructed not to degrade/stop/switch off any channel to LCOs without prior intimation.
- MSOs have been issue directed to ensure that proper bills and payment receipts are issued to the subscribers.
- MSOs have been directed to provide a copy of interconnection agreement to LCOs, within 15 days of entering into such agreements, and obtain an acknowledgement from him.
- TRAI issued revised twin conditions in a simplified language.

Way Forward

To achieve complete addressability and reduction in disputes amongst stakeholders following initiatives needs to be taken up by stakeholders:-

- The challenge is to effectively communicate and ensure that stakeholders follow the new rules of business.
- Requires concerted efforts from licensor, regulator, authorized officers, tax administration and judiciary.
- Importance should be given to the consumers who are the sole purpose of the business.
- The consumer should be given effective choice and transparency in billing and receipts of payments.
- The interconnection agreements should be entered on the basis of transparent and verifiable parameters.
- Roles and responsibilities along with revenue share details should be agreed and mentioned in these agreements.



Thanks

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