

PRESS NOTE

TELECOM REGULATORY AUTHORITY OF INDIA

6th February, 2019

Smooth Migration of Subscribers in the New Regulatory Framework in Broadcasting Sector.

1. 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 29th December, 2018. However, to provide sufficient time to subscribers for exercising their options, the Authority provided time upto 31st January, 2019. All the Distribution Platform Owners¹ (DPOs) were required to migrate the subscribers as per their choice with effect from 1st February, 2019.

2. The focus of the Authority is on migration of all the subscribers without causing any inconvenience. The Authority has been holding regular review meetings with DPOs to monitor the implementation. The Authority has noticed that due to heavy rush, the website of some DPOs have crashed intermittently and little inconvenience was caused to some subscribers due to sporadic local issues. However, by and large, the migration of subscribers to new regulatory framework has been smooth. Some subscribers have also reported difficulties in accessing the call centres to register their options owing to high number of calls. The Authority assures such subscribers to be patient if they are unable to exercise options due to

¹ 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)

limitation/non-functioning of service provider's website/ Mobile App etc. DPOs have assured the Authority that sufficient opportunity will be provided to such subscribers for submitting their options and availing the TV channels as per choice.

3. Further, in cases where subscribers are availing pre-paid service, no disruption of service will be caused, if there is a credit balance available in the subscriber's wallet/ account. The Authority has issued explicit direction to all the service providers to ensure that there are no interruptions. However, the Authority received information that while migrating consumers, one large service provider has caused black out on the TV screen of a few-thousand subscribers. Taking a serious view, the Authority has issued show cause notice to that service provider. The Authority also issued a direction to all the DPOs on 4th February, 2019 that there should be no withdrawal/ discontinuance of TV channels on their platform by any TV service provider.

4. The new framework empowers the consumers by providing the real choice to them. The Authority has been informed that some service providers are pushing certain packages, not allowing choice within first 100 channels, providing certain FTA channels irrespective of consumer's options etc. The Authority has taken a note of such issues and has directed the DPOs to follow the regulation in letter and spirit. The consumer choice and paying only for what the consumer wishes to watch, is the power, the new framework gives to subscribers. The subscribers are free to choose Free to Air channels and / or pay channels either on a-la-carte or in the form of bouquet or any combination thereof, even within the first one hundred channels. In case any DTH / Cable Operator is insisting on predefined pack or bouquets without providing real choices, subscribers may report the same at TRAI call centre 0120 – 6898689 or e-mail at das@traigov.in .

5. Many subscribers have raised the issues regarding the price of the second TV connection. The Authority has sought details of special schemes

for provision of second or subsequent connection. The Authority expects that DPOs will declare special policies/ schemes for multiple connections within a TV Home in a day or so. TRAI is having close watch on it and intervene if so required.

6. Recently (on 4th February, 2019), on the basis of a report from CRISIL, some media reports have claimed that the new framework will result in increase in monthly TV bills substantially. This report has been prepared on an inadequate understanding of the TV distribution market. The report is based on choosing top rated channels on all India basis and considers only one weekly report dated 25th January 2019, from TV Rating Agency, BARC. The selection of channels by subscribers is primarily driven by language, genre, region and culture. The report fails to appreciate that even among top three channels (Scenario I) that is SUN TV, ZEE Anmol and STAR MAA, the language is Tamil, Hindi and Telugu respectively. It is unlikely that one family will choose Tamil, Hindi and Telugu Channel simultaneously. This is more glaring in the scenario III where TV Channels of Hindi, Tamil, Telugu, Bangla, Malayalam and English have been considered together. Similar is the situation in scenario II also. The report is not based on detailed and focused analysis, supported by data. This report is more likely to mislead the subscribers while they are likely to migrate to new framework and would results in misunderstanding.

7. 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 weeks. For the first time a subscriber can see the offered prices of a TV channel on their own TV screen thereby removing any information asymmetry. These are early days and detailed data-sets will be available only after a few weeks. Yet, the Authority has information from few large DPOs and the preliminary data analysis 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.

8. Subscribers may note that the new regime empowers them to change their choices whenever they desire. They can add channels for a month or for multiple months whenever a program of their choice is broadcast, thereby providing sufficient flexibility. The subscribers can always request their service provider to modify (add or delete) their selection, even after choosing any package at present. All the subscribers are requested to choose wisely and select those channels that they wish to actually watch.
