

TELECOM REGULATORY AUTHORITY OF INDIA

Consultation paper on Tariff related issues for Broadcasting and Cable services

New Delhi, 16th August 2019: Telecom Regulatory Authority of India (TRAI) today issued Consultation paper on Tariff related issues for Broadcasting and Cable services.

2. TRAI, in March 2017, notified the 'New Regulatory Framework' for Broadcasting and Cable services. The new framework came into effect from 29th December 2018. TRAI's new regulations/orders for the television and broadcasting sector gave freedom to consumers to select television channels they want to watch. Analysis reveals that while new regulatory framework has brought the transparency in TV channel pricing, harmonised business processes in the sector, reduced disputes among stakeholders. However, adequate choice to select TV channels has not been given to the consumers.

3. In all fairness, a lot much was expected from the broadcasters and the DPOs to use flexibility given under new regulatory framework to address the concerns and aspirations of the consumers. However, given flexibility was misused to throttle market discovery of TV channel prices by giving huge discounts on the bouquets. It has been observed from the tariff declared by the broadcasters under new regulatory framework that broadcasters are offering bouquets at a discount of upto 70% of the sum of a-la-carte rates of pay channels constituting those bouquets. It indicates that in absence of any restriction on the discount on the offering of bouquets, broadcasters are making prices of a-la-carte channels illusory thereby impacting the a-la-carte choice of channels by consumers.



4. Further, no restriction on number of channels has created another problem wherein broadcasters and DPOs are offering too many bouquets. TRAI has observed that too many bouquets are formed by the broadcasters/Distributors and many of them contain very similar set of channels, with very few changes. This too many bouquets are not only creating confusion among consumers but also becoming a hurdle in choosing the channels by consumers. With too many bouquets of broadcasters and DPOs, the consumers get confused and as a result forced to adopt some suggested packs of TV channels which kills the freedom given to consumers to choose desired TV channels.

5. TRAI had extensive interactions with the stakeholders including consumers and consumer organizations, at various forums, wherein stakeholders have also raised certain issues such as variable NCF for different regions, NCF for Multi TV home, discount on long term plan, DD channels as part of one hundred channels etc.

6. In order to deliberate upon above issues that have come post implementation of the new regime, this consultation paper has been floated seeking stakeholders' views. This paper primarily discusses issues related to discount given in the formation of the bouquet, ceiling price of channels for inclusion in bouquet, need for formation of bouquet by Broadcasters and DPOs, Variable NCF and discount on long term plan. These issues are significant in terms of consumer welfare and considered it appropriate to obtain the views of the stakeholders.

7. For any clarification/ information, Shri Arvind Kumar, Advisor (B&CS) may be contacted at Telephone No. +91-11-23220209. The comments may be sent, preferably in electronic form on the email ID arvind@traigov.in or sumeet@traigov.in.


(S.K. GUPTA)

Secretary, TRAI