

# Standing Committee Report Summary

## Regulation of Cable Television in India

- The Standing Committee on Communications and Information Technology (Chair: Mr. Prataprao Jadhav) presented its report on 'Regulation of Cable Television in India' on February 8, 2024. Key observations and recommendations of the Committee include:
- **Regulation of cable television:** Cable TV is primarily regulated by the Cable Television Networks (Regulation) Act, 1995 and the rules and guidelines issued under it. However, there are multiple regulators which have issued their own rules and guidelines on various aspects. The Telecom Regulatory Authority of India (TRAI), the Department of Telecommunications (DoT) and the Ministry of Information and Broadcasting (MIB), all regulate different aspects of cable television. Moreover, different types of operators report to different authorities. While the Ministry serves as the registering authority for Multiple System Operators (MSO), the head Post Office serves as the registering authority for Local Cable Operators (LCO).
- Services such as Over The Top (OTT) platforms are not regulated under this Act, but by Rules issued by the Ministry of Electronics and IT. This has led to differential content standards on the platforms. The Committee observed that there was a need to rectify the current disparity between cable TV and OTT platforms. The Committee urged the MIB to implement a framework compelling broadcasters to make their content accessible on all platforms. Thus, the Committee observed that the cable TV industry needs to be regulated by a comprehensive Act. The MIB informed the Committee that a draft Broadcasting Services (Regulation) Bill, 2023 had been released in the public domain for comments from stakeholders. The draft Bill seeks to regulate cable television and OTT platforms.
- **Constraints and challenges faced by the Ministry:** Challenges faced by the MIB include: (i) under-reporting of subscribers by cable operators, (ii) absence of an oversight mechanism at the ground level, and (iii) the absence of a central database of LCOs. The Committee recommended the MIB to work with the Ministry of Electronics and Information Technology to develop a comprehensive digital solution to address under-reporting of cable TV subscribers and the absence of an oversight mechanism. The Committee also urged the MIB to take initiatives to be the registering authority for LCOs.
- **Pricing of TV channels:** Currently, the prices of TV channels are set by broadcasters and is regulated by TRAI. Channels are then distributed by Distribution Platform Operators (DPOs). The Committee noted that there is a significant disparity between the prices of channels in bouquets and a-la-carte. This is because prices of channels, when distributed in a bouquet, are capped at Rs 19 per channel. However, the rates of channels are much higher when chosen individually. This was also noted by TRAI in a consultation paper released in 2019, however, no action has been taken. The Committee observed that compelling subscribers to opt for predefined bouquets hinder consumer choice. It recommended that DPOs be given the authority to select individual channels from broadcasters' bouquets. Such channels must be chosen based on consumer preferences, and DPOs must remit to broadcasters the proportional price of the channels.
- **Impact of New Tariff Order:** TRAI regulates tariffs for the cable TV industry. Pricing is currently regulated by the New Tariff Order (NTO), the latest NTO being introduced in 2022. Key points of the pricing policy include: (i) channel pricing, (ii) channel bouquet pricing, (iii) Network Capacity Fee, and (iv) Maximum Retail Price. Prior to the implementation of the latest order, DPOs, LCOs and consumer organisations noted that broadcasters had raised tariffs significantly, which would lead to larger customer payouts. Other difficulties included: (i) implementing the new rate in IT systems and (ii) migrating customers in bulk to the new system and tariffs. The Committee recommended that TRAI hold constructive dialogue with the industry. While acknowledging the complexity in determining channel pricing, the Committee noted that TRAI has a responsibility to ensure consumers receive services at a fair price.
- **Advertising guidelines for TV channels:** There are two major types of TV channels: paid channels and free to air channels. The Committee was informed that paid TV channels were showing a large number of advertisements, despite charging subscription fees from customers. The Committee recommended to categorise channels as 'Pay-TV' or 'Free-to-Air' based on their sources of revenue. It also recommended a consultation on the costing methodology of TV channels. The consultation should also aim to tackle the issue of customers paying subscription fees but watching advertisements for a significant duration.

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