

Comments on the Draft Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Seventh Amendment) Regulations, 2025

Submitted by: CUTS International (Consumer Unity & Trust Society)

CUTS International welcomes the opportunity to offer its comments on the Draft Interconnection (Addressable Systems) (Seventh Amendment) Regulations, 2025, as notified by TRAI on 22nd September 2025. As a consumer organisation engaged in telecom and broadcasting reforms, we appreciate TRAI's efforts to enhance transparency, efficiency, and consumer protection in the broadcasting value chain.

Our key comments are structured below:

1. Annual Audits – Support with Risk-Proportionate Flexibility

We support the continuation of mandatory annual audits for addressable systems to promote fair reporting and consumer trust. However, a risk-based approach should be adopted:

- DPOs with <10,000 subscribers: audit once every 3 years
- DPOs with 10,000–30,000 subscribers: audit once every 2 years
- 30,000 subscribers: annual audits to continue

This will reduce regulatory burden on small players without compromising transparency. To prevent consumer cost burden, TRAI should cap audit fees based on DPO size and complexity and prohibit audit costs being passed on to consumers.

Additionally, an annual public disclosure of DPO audit compliance status (compliant/non-compliant) should be maintained by TRAI for transparency.

2. Broadcaster-Initiated Audits (Regulation 15(2)) – Safeguards Needed

While we understand the need for broadcaster-initiated audits in case of discrepancies, we are concerned about potential misuse, particularly against smaller DPOs.

Hence, we recommend:

- Broadcasters must present substantiated evidence (e.g., subscriber discrepancy >2%) to initiate a second audit
- A broadcaster must engage with the original audit report first, with scope for resolution
- Limit such audits to once per financial year per broadcaster per DPO
- Ensure grievance redressal mechanisms to protect DPOs from coercion or audit overreach
- Outcomes of such audits must be shared with TRAI and the DPO, and reflected in a public audit log

These steps will reduce frivolous audits and ensure audit discipline while protecting consumer interests.

3. Shift to Financial Year – Strongly Supported

We support TRAI's proposal to align the audit period with the financial year (April–March) instead of the calendar year. This:

- Aligns with corporate and taxation reporting cycles
- Reduces administrative burden and confusion
- Enables more coherent tracking of revenue, subscription trends, and consumer pricing changes

The proposed grace period up to June 30 is reasonable but should be conditional upon prior intimation by the DPO with valid reasons.

4. Exemptions for Small DPOs – With Guardrails

We support optional audit exemption for DPOs with fewer than 30,000 subscribers. However, to prevent misuse and ensure consumer safeguards:

- Broadcasters should retain the right to request audits with valid reasons
- DPOs availing exemptions should maintain minimum audit-readiness (logs, access records, etc.)
- The subscriber threshold should be reviewed biennially to reflect market trends
- TRAI should publish the list of exempted DPOs for public knowledge and choice

5. Infrastructure Sharing – Ensure Accountability & Consumer Protection

Infrastructure sharing can improve efficiency and affordability, but it must not compromise accountability, security, or consumer experience. We recommend:

- Mandatory logical separation of systems for each DPO in shared environments
- Independent logs to be maintained per DPO for audits and traceability
- Joint audits for shared infrastructure, with safeguards to prevent data access across competing entities
- Auditor access logs to prevent overreach
- Standardised watermarking:
 - Dual watermarks (provider and seeker) should not overlap
 - Transparency, size, and placement must be regulated to prevent viewer experience degradation
- Recommend a dedicated chapter in the Interconnection Regulation covering infrastructure sharing provisions in detail

6. Penalties and Enforcement – Must Be Balanced and Fair

While strict compliance is essential, enforcement must be proportionate:

- Adopt graded penalties: warning → fine → suspension
- Allow appeal or justification window before penal action is finalised
- Penalise non-cooperation or delay by broadcasters as well
- Use collected penalties to fund consumer awareness campaigns on their rights related to audits and subscriptions

7. Consumer Protection During Audit Delays or Disputes

Consumers must not suffer due to technical or regulatory lapses. We recommend:

- Prohibit sudden disconnection or retrospective billing during audit-related disputes
- Ensure no disruption in service due to delay in audit reports or broadcaster-DPO disagreements
- Mandate clear grievance redressal pathways for consumers during audit-triggered service impacts

8. Transparency, Auditor Capacity & Vendor Accountability

- TRAI and BECIL should upgrade auditor training and empanelment processes
- Mandate auditor independence declarations
- Vendors must be required to support audits, even post-contract termination
- Interconnection Agreements (IAs) should include discrepancy resolution clauses in case of audit disputes

Conclusion

CUTS International appreciates TRAI's initiative to strengthen the audit framework and consumer safeguards. We support a compliance environment that is transparent, fair, and proportionate—balancing the needs of the sector with protection of consumer interests. We urge TRAI to incorporate these suggestions to ensure effective, consumer-focused regulation in the broadcasting ecosystem.