Subject: Comments on the Draft Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Seventh Amendment) Regulations, 2025 ("Regulatory Framework")

Respected Madam,

We welcome TRAI's recent initiative to amend the Regulatory Framework. However, with due respect, it appears to be a formal step that does not adequately address the fundamental issues impacting subscribers.

Key Concerns

1. **Broadcasters' Leverage Through Free Dish (Analogue-Like Ecosystem)**

    i. Broadcasters appear more than satisfied with the analogue-like economics of DD Free Dish, as evident from their increased availability and participation on the platform.

    ii. This indicates that broadcasters are comfortable thriving in a low-regulation, advertisement-driven environment, while in the regulated ecosystem they are content with incremental hikes in their last negotiated deals.

    iii. The much-discussed "audit issue" is being used primarily as a **negotiating lever**, rather than a genuine transparency concern.

2. **Regulated DPOs' Approach to Content Cost**

    i. Regulated DPOs position their arguments around parity but the core issue remains their ability (and intent) to transfer rising content costs to subscribers year after year.

ii. The broadcaster–DPO dynamic often resembles a “good cop–bad cop” arrangement, but both sides remain aligned in passing the burden onto consumers.

3. **Impact on Consumers**

   i. Subscribers bear the brunt through:

      a) Increased monthly costs;

      b) Fewer channels for the same price;

      c) Content that is increasingly irrelevant.

   ii. Consumer choice, affordability and relevance—the three pillars TRAI regulations seek to protect—are being eroded.

4. **Blurred Distinction Between FTA and Pay Channels**

   i. Both FTA and Pay channels derive significant revenues from advertising.

   ii. In this context, the distinction between “free” and “pay” loses fairness, since consumers are paying subscription fees even for channels that already earn from advertisements.

   Recommendation: Pay channels, if they are to exist as premium offerings, should be **ad-free**. A true pay channel should rely on subscription revenue and deliver quality content that consumers voluntarily choose to subscribe to (“pull”), rather than being bundled and pushed onto customers.

5. **Redundancy of Network Capacity Fee (NCF)**

   i. The NCF has lost its relevance.

ii. The original justification—that it covers capex and infrastructure costs—no longer holds true, since such investments have already been amortised over the years.

iii. Also, with no further meaningful investment in distribution infrastructure by DPOs, the NCF itself has become redundant. Continuing to levy this charge only increases subscriber burden without corresponding value creation.

<u>Recommendations</u>

1. **Mandatory Provision of All FTA Channels**

   All FTA channels should be made available by every DPO to all subscribers, similar to the mandate for Doordarshan channels. This would ensure universal access to free content without artificial restrictions.

2. **Elimination of Network Capacity Fee (NCF)**

   The NCF should be removed entirely, as it has lost is relevance. Moreover, DPOs already have revenue mechanisms such as carriage fees, distribution fees, marketing fess, placement fess etc which they derive from the broadcasters.

3. **Ban on Bouquet Formation for Pay Channels**

   i. Pay channels should only be offered on an **à la carte basis**.

   ii. Bundling into bouquets at both broadcaster and DPO levels distorts consumer choice, inflates pricing and undermines TRAI’s intent of transparency and affordability.

4. **Reclassification of Pay Channels as Premium, Ad-Free Services**

i. A “pay” channel should mean a true **premium channel**: ad-free, high-quality and subscription-driven.

ii. This distinction will incentivize broadcasters to invest in better content, while allowing consumers to exercise genuine choice between FTA (ad-driven) and Pay (subscription-driven, premium) models.

<u>Conclusion</u>

We respectfully urge TRAI to realign regulatory measures towards **true consumer protection** by:

i. Ensuring universal availability of FTA channels; and

ii. Eliminating the now-redundant NCF; and

iii. Guaranteeing genuine consumer choice in accessing pay channels; and

iv. Defining Pay channels as premium, advertisement-free services.

Only then can the framework achieve its stated objectives of affordability, transparency and empowerment of subscribers in India’s broadcasting ecosystem.

Respectfully submitted,

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Authorized Signatory

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