

BBC Global News India Private Limited
(Channel- BBC World News)

At the outset, we would like to express our gratitude towards Telecom Regulatory Authority of India (henceforth "TRAI") for bringing out a comprehensive consultation paper on the subject of interconnection. We appreciate the efforts made by TRAI in formulating a comprehensive interconnection regime in this regard.

We would like to offer our comments to the proposed Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2016 as under-

Dual burden on Broadcasters like us

TRAI has introduced the concept of distribution fee which has been pegged at a minimum of 20% of the maximum retail price of the channel payable by the broadcaster to the distributor. Also, in case the subscription of channel is less than 20% of the total subscriber base of a distributor in a given geography, then the distributor is entitled to demand a carriage fee pegged at 20 paise per channel per subscriber per month. This is a dual burden on broadcasters like us who do not pay any carriage fee at the moment. Our channel caters to a specific audience and carries niche content unlike Hindi language news channels which have a mass subscriber base. In any given territory, our subscriber's base is expected to be less than 20% mark as we cater to a specific niche audience. This in turn will impact our revenues and we also feel that this provision is skewed in favour of mainstream broadcasters. At a current level, both distribution and carriage fee put together will impact our revenues by 35%. We feel that this twin burden of distribution and carriage fees will affect broadcasters of single channel like us. Moreover, the provision concerning carriage fee will benefit big channels enjoying greater reach. At one point the objective of TRAI is to usher in transparency and protect consumer interest, however at the same time TRAI has proposed to make carriage fee applicable on us. Broadcasters have been demanding 'must carry' for distributors similar to 'must provide' for broadcasters. Now, though 'must carry' has been introduced but at the same time carriage fee, the abolition of which has been a long pending demand from the broadcasters, has been made applicable. It is pertinent to mention here that the combination of distribution fee and carriage fee will significantly impact the revenue of broadcasters of single channel like us. Hence, we strongly recommend that the current practice of not paying the carriage fee for pay broadcasters like us should continue.

Balance of power in favour of Distributor

It has been mentioned in the Regulations that it shall be open for the distributor of television channel to discontinue carrying of a channel in case the monthly subscription, in immediate preceding 6 consecutive months, for that particular channel is less than 5% of the total subscriber base of that distributor in the target market specified in the interconnection agreement signed between the broadcaster and distributor. This provision is totally skewed in favour of the distributor as he can take a decision based on the subscription numbers reported by it. This provision will impact broadcasters like us which cater to a niche audience and accordingly the subscription base is small. It shifts the control in favour of the distributor and hence anti-competition.
