



## **IBF expresses shock and disappointment on the amended Tariff Order and Interconnection Regulations issued by TRAI**

**New Delhi, 03-Jan-2020:** The Broadcast Sector expressed its shock and dismay with the latest notification from TRAI issued on 1st January 2020, amending the new tariff order (NTO) and interconnection regulations.

As per the new amendments, TRAI has reduced the cap on the MRP of individual channels, which can form part of any bouquet, to Rs.12 per month, from the earlier cap of Rs.19. Less than a year ago, TRAI itself determined that the price per channel can be Rs.19, which has now been reduced to Rs.12 without giving any logical reason. Thus making the change totally arbitrary. The regulator has also sought to impose twin conditions for bouquet formation, effectively introducing a cap on bouquet pricing which was left untouched in the NTO. Coming barely a few months after TRAI notified the NTO effecting a disruptive change of the distribution ecosystem, these amendments will severely impair broadcasters' ability to compete with other unregulated platforms and adversely affect the viability of the pay TV industry.

In the last 15 years of regulating the broadcast sector TRAI has issued more than 36 tariff orders and ancillary regulations in an attempt to micro manage what is arguably the cheapest form of news and entertainment in the world. This goes contrary to the Government's stated position of ensuring the "ease of doing business". While TRAI claims the amendments are in the consumers' interest, it appears to have conveniently forsworn the interest of broadcasters. This change will only benefit the DPO's as they have been allowed to charge as much as ₹160 for the channels that are supposed to be 'FREE'.

Content is king and broadcasters invest substantial resources in producing and acquiring world class content, be it entertainment, knowledge or live sports. By packaging a variety of genres in economically priced bouquets, broadcasters offer the Indian consumer most affordable sports and entertainment globally. This despite an excessively regulated broadcasting environment. IBF in its response to TRAI's consultation paper had pleaded with the regulator to adopt a "soft touch" and allow the industry to come to terms with the NTO before making further changes. In fact, TRAI itself had acknowledged this need by proposing a two year moratorium on further regulation. It appears all IBF's pleas have been ignored. Unfortunately, in this exercise, content creators and owners have been disempowered and the entire authority has shifted to the middlemen.

Expressing its disappointment on the development, Indian Broadcasting Foundation (IBF), the apex body of broadcasters in the country, has conveyed that these changes will have very significant and industry growth hampering ramifications for the Broadcast sector. At a time when the economic environment is tough, this tariff order will force a lot of channels to shut down and will lead to unemployment in the sector. While the Government is looking at ramping up growth, these changes will have the



opposite effect for the Broadcast sector just recovering from the twin shocks of NTO in the first half of 2019 and the ad slowdown business.

IBF has always believed that the consumers pay for the value of the content. Post NTO, the ecosystem had just settled down with about 200 million consumers choosing their favourite channels. We have to allow the changes to fully settle down and the market forces to prevail while resisting the temptation to continuously tinker with the regulation. The Regulator's intent was to address infirmities in the new Tariff Order (NTO), however, it has been done solely at the cost of the broadcasting fraternity.

Over-regulation, inconsistency and frequent changes in the regulations by the Regulator has already cost the broadcast sector 10-12 million TV subscribers as per various industry estimates in 2019. These amendments will compound the problem further.

IBF is disappointed at the lack of understanding shown by the Regulator. It will strategize its future course of action, including evaluating legal options, based on feedback from its member channels and networks.

---

### ***About IBF***

Indian Broadcasting Foundation is a not-for-profit industry association. IBF represents and is dedicated to the promotion of television broadcasting in, to and from India. IBF members provide channels and programmes that deliver about 90% of television viewership in India. Member offerings cater to most of India's diversity and plurality in every language and in every genre of television viewing. The Foundation provides a meeting ground for its members to work in consensus on common goals. The Foundation offers a common platform/forum in which members' air new or improvement opportunities to arrive at implementable solutions. IBF has, over the years, achieved the unique position of the accredited spokes-body of the television broadcasting industry. IBF endeavours to work closely with and align industry, policy makers, regulators and partners so that the television sector in the media and entertainment industry grows to its fullest potential in an equitable manner