Regulation of Media

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Contents

- Broadcasting - Services, Value Chain, Snapshot
- Key features of Broadcasting Regulations
- Regulations in Broadcasting
- Media Ownership
Broadcasting services in India

- Cable TV
  - Analogue and Digital
- Direct to Home (DTH)
- Terrestrial TV (Doordarshan)
- Internet Protocol Television (IPTV)
- Radio
  - FM Radio broadcasting
  - AM and SW radio (All India Radio)
  - Community Radio
Value Chain for the broadcasting and cable TV service

- Broadcaster
- Cable operator
  - Multi System Operator (MSO)
  - Local Cable Operator (LCO)
- DTH Operator
- IPTV operator
- HITS operator
  - Local Cable Operator (LCO)

Consumer
## India Broadcasting Sector - A Snapshot

<table>
<thead>
<tr>
<th>TV Household (2015)</th>
<th>Channels/ Broadcasters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Households</td>
<td>Number of Registered channels</td>
</tr>
<tr>
<td>277 million</td>
<td>827</td>
</tr>
<tr>
<td>TV Households</td>
<td>Number of Pay channels</td>
</tr>
<tr>
<td>175 million</td>
<td>245</td>
</tr>
<tr>
<td>Cable TV Households</td>
<td>Broadcasters (Pay &amp; FTA)</td>
</tr>
<tr>
<td>101 million</td>
<td>243</td>
</tr>
<tr>
<td>Number of Operational Private FM Radio Stations</td>
<td>Pay Broadcasters</td>
</tr>
<tr>
<td>243</td>
<td>54</td>
</tr>
<tr>
<td>Subscribers</td>
<td>Registered MSOs in DAS</td>
</tr>
<tr>
<td>DTH Subscribers</td>
<td>555</td>
</tr>
<tr>
<td>40 million</td>
<td>Local Cable Operators</td>
</tr>
<tr>
<td>IPTV subscribers</td>
<td>60000</td>
</tr>
<tr>
<td>0.5 million</td>
<td>DTH Operators</td>
</tr>
<tr>
<td>Total revenue of India TV Industry for the year 2014</td>
<td>7</td>
</tr>
<tr>
<td>9.23 billion USD</td>
<td></td>
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</tbody>
</table>
Key Feature of Broadcasting Regulations in India

- No exclusivity of content: Broadcaster “must provide” signals on non-discriminatory basis to the distributors of various TV Platforms.

- Sharing of important sporting events of National importance with public broadcaster.

- Mandatory carriage of channels of public broadcaster and channels operated by or on behalf of Parliament.

- TV channels to be carried over any platform must have permission under uplinking and downlinking guidelines.

- ‘Must Carry’ provision for Hindi English and regional channels of the area concerned in Digital Addressable Cable TV systems.

- Detailed Quality of Service regulations.
Regulations in Broadcasting sector

- Interconnection regulations
- Quality of Service regulations
- Tariff orders
Interconnection Regulations

Interconnection Regulations broadly cover the aspects relating to:

- Regulatory framework for the agreements between the service providers i.e. between Broadcaster, MSOs/ DTH operators and Local Cable operators.

- Based on this framework the service providers finalize the commercial and technical terms & conditions to arrive at an agreement.
Quality of Service (QoS) Regulations

QoS Regulations broadly cover the aspects relating to:

- Connection, disconnection, transfer and shifting of cable and satellite TV services.
- Consumer complaint handling and redressal
- Consumer billing Procedure and handling of billing related complaints.
- Set Top Box related issues and handling complaints thereof.
- Technical parameters to be adhered by the service providers.
Tariff orders

Prescribes the wholesale tariff, retail tariff and the Revenue share amongst the service providers
Digitisation of Cable TV Services - Benefits

- Enhanced capacity from 100 to 1000 TV channels.
- Better Quality Video and Audio.
- Can support HD, 3D Channels.
- Customers can choose the channels they want to watch.
- Can support Broadband and triple play services.
- Transparency in the operations.
Media Ownership

- Need to Regulate Media ownership
- Definition of Ownership and Control
- Cross-Media Ownership
- Vertical integration among Media Entities
- Issues affecting Internal Plurality
- Media Regulator
Need for Media ownership Regulation

• In a Democracy, Media plays a vital role and is often termed as the fourth pillar of democracy

• So vital to ensure that there is diversity and plurality of news and views.
Definition of Ownership and Control

- Owns at least 20% of total share capital
- Exercises de jure control by
  - Having not less than 50% voting rights
  - Having more than 50% of the members of the board
  - Controlling the management
- Exercises de facto control by means of agreements
Cross Media ownership

- Relevant genre – News and current affairs
- Relevant segment – Print (only Newspapers) and TV
- Relevant geographic market – Language
- Reach and volume to determine market share
- Print – Circulation
- Television – Gross Rating Point (GRP)
Measuring concentration

- Herfindahl Hirschman Index (HHI)
- Concentrated market – HHI > 1800

- In a concentrated market an entity should not contribute more than a HHI of 1000 in both Print and TV markets continuously for more than 2 years
- For M&A also this condition should not be breached
- Elaborate reporting requirements
Vertical Integration

- Broadcasters and Distributors to be separate legal entities
- One Broadcaster can vertically integrate (control) with only one Distributor of any category (MSO or DTH), in relevant market
- A vertically integrated Distributor can have a maximum market share of 33%
- Agreement between a vertically integrated broadcaster and distributor to be approved by Authority
- A vertically integrated Distributor not to reserve more than 15% of its capacity to its broadcaster.
**Internal Plurality**

- Political, Religious, Central/State Govt entities to be barred from entry into broadcasting and TV.
- Public Broadcaster ‘Prasar Bharati’ should be independent and at arms length relationship with Govt.
- Responsibility of ‘Paid News’ to be on both parties, not only on politicians.
- Private treaty to be curbed.
- Ensure Editorial independence.
Media Regulator

- Govt. should not regulate media
- Self Regulatory approach not working
- Single Regulatory Authority for Print and TV
- Consist of eminent persons from different walks of life including media. Predominently non-media
- Appointment to regulatory body to be just, fair, transparent, impartial process
- Regulator shall entertain complaints on paid news, private treaties, editorial independence etc. should have power to impose and enforce penalties.
Way forward

- A commission headed by a retired Supreme Court Judge to comprehensively examine the legislative and legal framework to establish a robust institutional mechanism for Media regulation
Thank you

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