

## **Information note to the Press (Press Release No. 45/2014)**

For Immediate release

### **TELECOM REGULATORY AUTHORITY OF INDIA**

#### **TRAI releases its recommendations for a New DTH Licensing Regime**

**New Delhi, the 23<sup>rd</sup> July 2014:-** TRAI has today released its recommendations for a new DTH licensing regime. Besides the issues related to DTH licensing, the issue of cross-holding/control in the broadcasting and distribution sectors has also been covered in these recommendations.

2. The salient features of the recommended new DTH licensing regime are as follows:

- The period of DTH license to be increased from 10 years to 20 years, renewable by 10 years at a time.
- One time entry fee to be retained at Rs.10 crore.
- Existing license fee to be reduced from 10% of Gross Revenue (GR) to 8% of Adjusted Gross Revenue (AGR) in line with the telecom licenses.
- The existing DTH licensees to be permitted to migrate to new regime at any time during the currency of their existing licenses.
- BIS to come out with updated specifications for Set Top Boxes in consultation with TRAI which should be complied by DTH licensees.
- The DTH licensees to be mandated to comply with the tariff order/scheme prescribed by TRAI for commercial inter-operability.

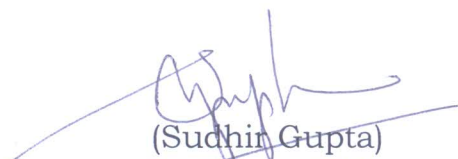
3. The salient features of the Recommendation on Cross Holding/Control in the Broadcasting and Distribution Sectors are as follows:

- Policy on Cross-holding/Control to be restructured to bring in uniformity in the broadcasting and distribution sectors.
- Comprehensive definition of 'control' to be uniformly adopted in all segments of broadcasting and distribution sectors.
- Relevant market for DTH to be the entire country and for MSO/HITS – State.
- Broadcasters and Distribution Platform Operators (DPOs) – MSO/HITS and DTH operators to be separate legal entities.



- Rationalized and regulated vertical integration to be permitted between broadcasters and DPOs.
  - Vertically integrated broadcaster(s) and DPO to be subjected to additional set of regulations.
  - A vertically integrated broadcaster to be permitted to control only one DPO.
  - A vertically integrated DPO to be restricted from controlling any other DPO of other category in the relevant market.
  - A vertically integrated DPO not to be permitted to acquire more than 33% of the market share in the relevant market.
  
- The additional regulations for a vertically integrated broadcaster to include:
  - The agreements with the DPOs to be non-discriminatory and on charge-per-subscriber (CPS) basis.
  - To file the Reference Interconnect Offer (RIO) for approval by the Authority. All Interconnection Agreements to be only on the terms specified in the RIO.
  - To make disclosures as prescribed by the Authority.
  
- The additional regulations for a vertically integrated DPO would include:
  - DPO to declare its channel carrying capacity and not to reserve more than 15% of this capacity for its vertically integrated broadcaster(s). Rest of the capacity to be offered to other broadcasters on non-discriminatory basis.
  - DPO to publish the access fees for carriage of channels over its network. The charging of the access fees should be on non-discriminatory basis.
  - To make disclosures as prescribed by the Authority.
  
- The Authority to come out with appropriate Regulations/Orders for the regulatory framework and disclosures after the Govt. takes the policy decision on the recommendations.

4. These recommendations have been released in response to the reference made by the Ministry of Information and Broadcasting to the Authority. Full text of the notifications is available on TRAI website [www.trai.gov.in](http://www.trai.gov.in).

  
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 Secretary, TRAI