

Seminar on Role of Courts and Regulator

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## Regulation of Media

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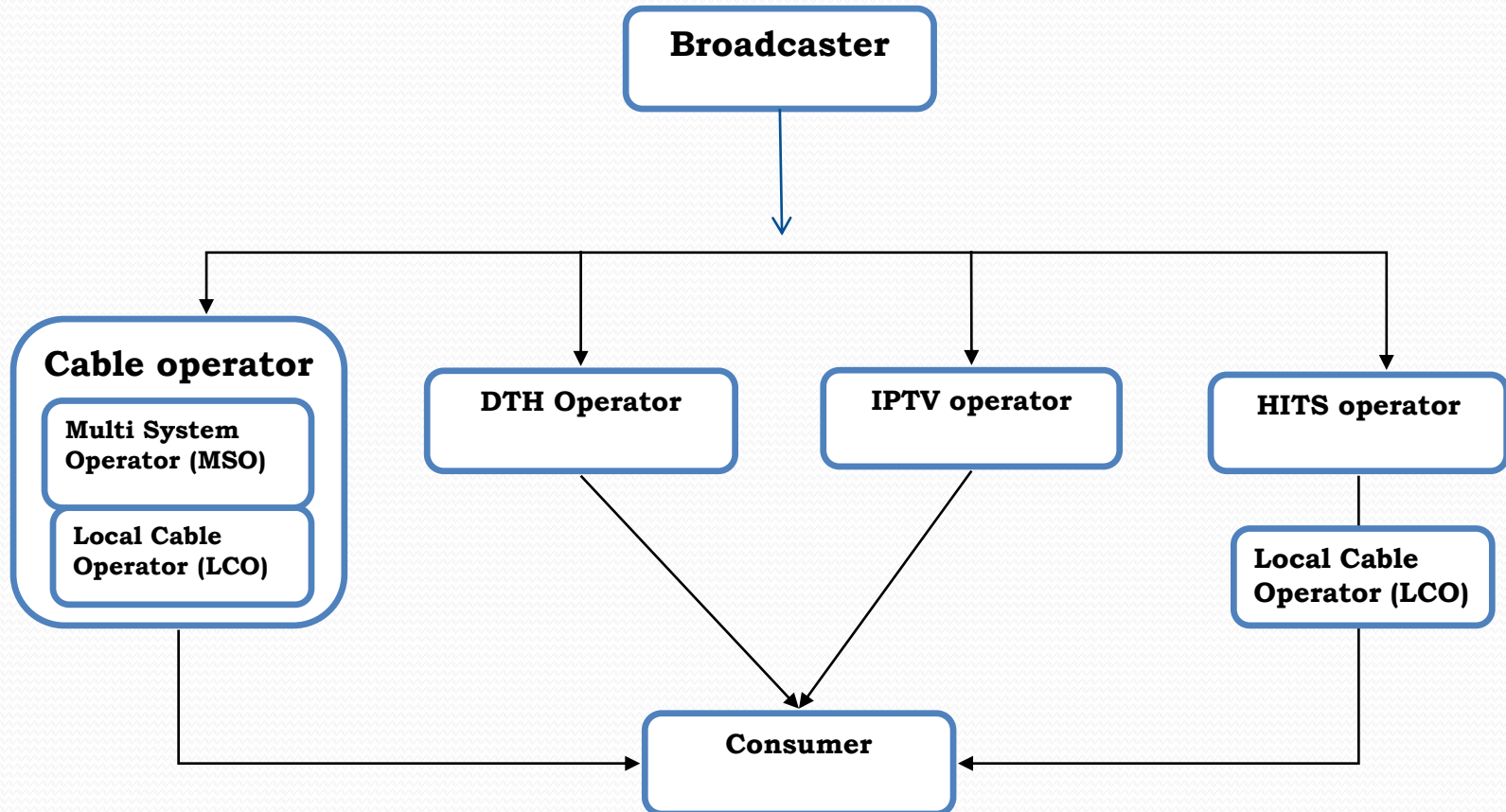
# Contents

- 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



# India Broadcasting Sector - A Snapshot

TV Household (2015)		Channels/ Broadcasters	
Total Households	277 million	Number of Registered channels	827
TV Households	175 million		
Cable TV Households	101 million	Number of Pay channels	245
Number of Operational Private FM Radio Stations	243	Broadcasters (Pay & FTA)	243
		Pay Broadcasters	54
Subscribers		Registered MSOs in DAS	555
DTH Subscribers	40 million		
IPTV subscribers	0.5 million	Local Cable Operators	60000
Total revenue of India TV Industry for the year 2014	9.23 billion USD	DTH Operators	7

## 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. Predominantly 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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