

July 24, 2014

Sub: Charges payable by hotels for TV signal - Amendments issued by TRAI on 16.7.2014 and 18.7.2014
Hotels and Restaurants to be treated at par with ordinary subscribers

Dear Member,

On behalf of the hospitality industry, FHRAI has vigorously pursued the cause that there should be no discrimination between hotels and other classes of consumers in respect to the charges payable for TV signal. In this regard, we are pleased to inform our members, that the Telecom Regulatory Authority of India (TRAI) has recently issued amendments to the prevailing tariff orders which have now provided for **the same tariff to be applicable to hotels & restaurants that is payable by ordinary subscribers**. A copy of these amendments dated 16th July and 18th July, 2014 is enclosed.

Hotels and Restaurants are to take signals from a Distribution Platform Operator (DPO), i.e. the Local Cable Operator or DTH Operator etc. The Hotels are not required to obtain any license from the Broadcaster nor do they have to negotiate or in any manner interact with the Broadcasters. The only exception to this is if the hotels or restaurants are charging for a programme of a broadcaster shown within their premises by either selling entrance tickets or by hiking their charges during the duration of the telecast of the programme.

A summary of the TRAI amendments dated 16.7.2014 and 18.7.2014:

By virtue of the recent amendments, all commercial subscribers including hotels and restaurants, are to be treated at par with ordinary subscribers. The tariff payable by them would accordingly be governed by the same regime.

Further, TRAI has clarified that hotels are entitled to have agreements with and take signal from the Distribution Platform Operators i.e. local cable operator, DTH service provider etc., and not from broadcasters. Thus, broadcasters cannot require or insist that hotels and restaurants enter into separate agreements with them or pay charges to broadcasters over and above the tariff being paid to the distribution platform operator. Clearly, the broadcasters cannot therefore contend any more that they would not authorize any DPO unless payments are made to them directly.

Commercial Exploitation:

There is one situation in which a hotel or a restaurant will have to pay charges to the broadcaster separately at rates to be mutually agreed between the broadcaster and the hotel/restaurant, namely: *if a hotel or restaurant charges its customers for a programme shown within its premises, it shall, before he starts providing such service, enter into an agreement with the broadcaster for this purpose.*

So, for example, if a restaurant wishes to commercially exploit a sporting event being shown on a channel that he is receiving at his premises, either by way of charging an admission fee or by way of raising the prices of the food/drinks being served during that period, the restaurant is required to enter into a prior agreement with the broadcaster on mutual terms for the same.

For digital addressable systems [DAS], DTH service and all other non-analog (cable) based areas:

As of now, digital addressable systems are mandatory in a number of major cities in India, including all four metropolitan cities. A list of all the cities where DAS is mandatory is provided in the Gazette Notification dated 11.11.2011 under the heading of Phase-I and Phase-II (copy enclosed).

There is no upper price ceiling fixed by TRAI for DAS, DTH, IPTV etc. However broadcasters are required to publish their maximum retail prices for each channel. The same price will apply to all subscribers - domestic as well as hotels and restaurants. The same provisions with regard to minimum subscription period, minimum monthly subscription fees, bouquet rates etc. that apply to ordinary subscribers shall apply to hotels and restaurants as well. Clause 6 of the tariff order, as amended, which deals with this aspect is enclosed herewith.

For Analog (Cable) serviced areas

As of now, all areas that are not yet covered under DAS are still receiving TV signal through analog cable (Phase-III and Phase-IV as mentioned in the aforesaid Gazette Notification dated 11.11.2011).

In non-CAS areas as well, in the case of commercial subscribers such as hotels and restaurants, for each television connection, the charges payable by the ordinary cable subscriber shall be the ceiling.

With warm regards

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President
FHRAI