bharti

TRAI/FY 2026-27/021
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Subject: Submission of Counter Comments on TRAI's Consultation Paper on Formulation of a Regulatory Framework for Application-based Linear Television Distribution (ALTD) Services [Including Free Ad-Supported Streaming Television (FAST) Services]

Reference:

1. **Bharti Telemedia Limited's Comments dated 11 May 2026 on TRAI Consultation Paper**

Dear Ma'am,

This is with reference to above-mentioned subject regarding the **Consultation Paper on Formulation of a Regulatory Framework for Application-based Linear Television Distribution (ALTD) Services [Including Free Ad-Supported Streaming Television (FAST) Services] issued by TRAI.**

In this regard, please find enclosed our counter comments for your kind consideration.

Thanking You,

Yours Sincerely,
For Bharti Telemedia Limited

Rahul Vatts
Chief Regulatory Officer

Encl: a.a

Copy to:

1. Chairman, TRAI
2. Secretary, TRAI
3. Principal Advisor (B&CS), TRAI

TRAI CP on *Formulation of a Regulatory Framework for ALTD Services*

Bharti Telemedia Limited's Counter Comments

TRAI Consultation Paper on Formulation of a Regulatory Framework for Application-based Linear Television Distribution (ALTD) Services *[Including Free Ad-Supported Streaming Television (FAST) Services]*

Introduction

Bharti Telemedia Limited (*referred to as 'Airtel' hereafter*) thanks the Authority for the opportunity to provide its counter comments to the responses received on the Consultation Paper on *Formulation of a Regulatory Framework for Application-based Linear Television Distribution (ALTD) Services [Including Free Ad-Supported Streaming Television (FAST) Services].*

These comments are an extension of the arguments submitted in our main response to the paper. Our key points are summarised below:

1. **Technology-neutral regulatory treatment -** Regulatory parity remains the anchor of our submission. We reiterate that regulatory forbearance for all registered Distribution Platform Operators (DPOs) is the preferred path, as it preserves innovation while ensuring parity across the broadcasting ecosystem. If that is not feasible, the Authority must apply the principle of 'same content, same rules' to ALTD/FAST services uniformly. However, the current regulatory asymmetry, where comparable services are treated differently despite serving similar functions, should not continue.

2. **Recognition of ALTD platforms within the distribution framework -** ALTD platforms must be formally recognised as a category of DPOs under the Broadcasting (Television Channel Distribution) Services framework mirroring the obligations applicable to DTH, IPTV, and HITS operator. Simultaneously, broadcasters and content providers must fully comply with applicable Programming Services framework, including the authorisation requirement for Ground-Based Broadcasters (GBBs).

In response to the Consultation Paper, few stakeholders have opposed the Regulatory Framework or have argued for a light touch regulation. By way of the present counter-comments, Airtel intends address those arguments directly on the merits and to demonstrate why each of them is misconceived in law, in policy and in the documented evidence.

In the main response, Airtel highlighted the **need to address non-level playing field** that has emerged due to the current unregulated status of ALTD platforms giving rise to significant and demonstratable regulatory arbitrage.

The cost of that arbitrage is showing up directly in the operating reality of the regulated DPO sector. DTH sector is struggling under severe financial pressure. TRAI Performance Indicator Report (October - December 2025) records a staggering decline in DTH subscribers from 66.62 million in December 2022 to 50.99 million in December 2025. That is a **~23%** contraction in three years, even as **Connected-TV households** cross **68 million** and **AVOD/FAST** viewing now contributes **84% of total streaming hours per household** (FICCI-EY, March 2026). The licensed DPO industry has cumulatively invested over ₹50,000 crore in distribution infrastructure that is increasingly being bypassed by an unregulated layer. **In short, regulated DPOs are bearing the full weight of compliance while watching their subscriber base, advertising revenue and infrastructure relevance migrate to a layer that bears none of the equivalent obligations.**

Beyond the economic distortion, this regulatory gap also causes a **blatant violation of extant laws of the country**. Under MIB Uplinking and Downlinking Guidelines, television channels licensed by MIB can be retransmitted only by authorised, licensed service providers - MSOs, DTH operators, HITS, and IPTV providers. Any distribution of such channels through any other method, including through ALTD applications, constitutes a violation of these Guidelines. It not only weakens the integrity of the existing regulatory framework, but also places licensed operators at a structural disadvantage by requiring compliance with obligations that comparable platforms can effectively avoid.

Continued regulatory inaction on this issue has severe implications for investment, employment and the long-term sustainability of the DTH sector which has supported Indian broadcasting for decades. We, therefore, urge the Authority to proactively introduce regulatory forbearance for all registered DPOs, or bring functionally comparable platforms such as ALTDs within a proportionate regulatory framework with comparable obligations.

Counter comments

In the following section, Airtel counters the addresses the principal concerns raised by certain stakeholders in response to the consultation paper

1. ***Argument advanced 1:*** *The jurisdictional challenge that TRAI lacks the statutory authority to regulate ALTD/FAST at all, because such services operate at the application layer over the open internet and fall outside the Telecommunications Act, 2023 and the TRAI Act, 1997.*

2. ***Argument advanced 2:*** *The functional distinction argument that ALTD/FAST services are fundamentally different from DPOs in delivery technology, commercial model and infrastructure and therefore cannot be regulated under the same broadcasting framework.*

3. ***Argument advanced 3:*** *The light-touch/innovation preservation argument that ALTD/FAST is a 'nascent' market, that regulation would stifle innovation, that existing frameworks already address the regulatory concerns and that any framework should be limited to registration, not authorisation.*

A fourth, residual line of opposition regarding the '**OEM safe-harbour**' argument advanced principally by hardware and operating-system providers is addressed separately given its distinct character.

We submit that the aforementioned arguments are misconceived. Each of these arguments is taken up below, in turn, and rebutted on its own terms, thereby substantiating our position.

Part 1 - The jurisdictional challenge

Airtel's Counter Comments

1. Legal and regulatory basis for TRAI's jurisdiction and proposed framework

The claim that ALTD services fall outside the Telecommunications Act, 2023 and the TRAI Act, 1997 and that TRAI is overstepping its jurisdiction, is **legally untenable**.

a. Applicability of Telecommunications Act, 2023 on ALTD services

Some stakeholders have argued that the exclusion of OTT services from the Telecommunications Act 2023 is a considered choice to leave all internet-delivered services outside any regulatory framework. This argument rests on a **fundamental misreading of both the 2023 Act and the legislative process** and is therefore at odds with both the operational reality on the ground and the statutory architecture as it stands.

The operational reality first. Under the existing regulatory architecture, individual TV channels which are licensed to broadcasters by the Hon'ble Ministry of Information and Broadcasting (MIB), once uplinked to satellites in encrypted form, can only be downlinked and retransmitted by authorized licensed service providers i.e. registered distributors like MSO, DTH, HITS & IPTV. The corollary is unambiguous: **only licensed TV channels can be distributed in India and that too only through licensed service providers**. **Any other method of distributing such channels would constitute a legal violation**. Yet today, users consume the same linear platform content on ALTD platforms without the requisite licensing, permissions or oversight under the MIB's Uplinking and Downlinking Guidelines (2022) or the Cable Television Networks (Regulation) Act, 1995.

This is the regulatory vacuum the Authority is being asked to cure and the legal foundation is squarely available under the Telecommunications Act, 2023. Conflating the dropping of explicit mention of OTT services from the definition of 'telecommunication services' with the Parliament's intention to completely exclude OTT services from the regulatory ambit of the Telecom Act, cannot be farther away from logic. A plain reading shows that multiple other services, including audiotex, videotex, satellite-based communication, in-flight and maritime connectivity, M2M etc. were also explicitly listed under the Telecom Bill 2022, but not under the Telecom Act 2023. However, it is nobody's case that these other services fall outside the scope of the Telecom Act, solely on the ground of absence of explicit mention. In fact, **the generalization of definition under the Telecom Act itself evidences the Parliament's intent to keep it broad enough** and future ready to include the wide variety of existing and future telecom/broadcasting services without having to list everything down and amend the statute for every new addition.

In any case, the **alleged exclusion under the Telecom Bill/Act was in the context of 'over-the-top (OTT) communication services' and not services that are broadcasting surrogates**. ALTD channels are not merely application-layer internet services in the generic OTT sense. They replicate the functional and economic character of licensed broadcasting distribution - scheduled linear feeds, EPG-listed channels, and advertiser-funded mass audiences - delivered over managed or unmanaged IP networks. The 2023 Act's OTT exclusion was drafted with communication services in mind, not services that are broadcasting surrogates. **TRAI's exercise in regulating ALTD is not an attempt to circumvent the Parliament, but rather fulfilment of statutory mandate to provide forward looking guidance for evolving broadcasting landscape**.

b. Applicability of TRAI Act on ALTD services

In 2004, the Government of India notified broadcasting and cable services as *telecommunication services* under Section 2(1)(k) of the TRAI Act, empowering TRAI to regulate the broadcasting sector. At its core, *broadcasting services* mean the distribution of linear television content, irrespective of the medium. ALTD platforms, by streaming linear TV channels through applications, clearly engage in broadcasting. To argue otherwise is to ignore legislative intent and reduce regulation to an outdated, technology-bound view of the service.

Further, the preamble to the TRAI Act, 1997, sets forth the Authority's broader purpose: *'to regulate the telecommunication services... to **promote and ensure orderly growth of the telecom sector** and for matters connected therewith or incidental thereto'.* The rapid expansion of ALTD services, if left unregulated, could lead to market distortions, unfair competition, compromise consumer interests and undermine the viability of existing regulated DPOs. Regulating ALTD is indispensable for ensuring 'orderly growth' of the entire broadcasting and telecom ecosystem, preventing fragmentation and fostering a level playing field.

c. TRAI's power to make recommendations

Under Section 11(1)(a)[1], TRAI is expressly empowered to make recommendations, suo motu or upon request, on, inter-alia, '*terms and conditions of licence to a service provider*' and '*measures to facilitate competition and promote efficiency in the operation of telecommunication services so as to facilitate growth in such services*. The Ministry of Information and Broadcasting's reference dated 15 December 2025, which initiated this consultation, is an exercise of established statutory authority. Since TRAI has acted on MIB's reference, this consultation and any recommendations issued consequent to the same, would be well within TRAI's jurisdiction.

d. Insufficiency of Digital Media Ethics Code, 2021

The Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 does not provide an adequate regulatory framework for the oversight of linear scheduled television content delivered over ALTD platforms. The Code was designed primarily for on-demand content and news publishing, and its provisions are ill-suited to the specific characteristics of linear broadcasting. ALTD platforms are not Publishers of Online Curated Content. They do not offer content catalogues from which viewers select. **They distribute pre-scheduled, linear television channels in real time, on schedules set by the broadcaster, to all viewers simultaneously.** A viewer of an ALTD platform cannot choose what plays next, cannot pause and resume at will, and cannot select from a library. The functional character of the service is broadcasting, not on-demand.

More fundamentally, the **IT Rules 2021 do not address the regulatory gap that this consultation exists to close**. They contain no provisions on carriage of content, tariff parity obligations, must-carry requirements or framework governing the commercial relationships between content providers and distributors.

Given TRAI's explicit statutory power to make recommendations on **'broadcasting services',** coupled with its overarching mandate to ensure the **'orderly growth'** of the sector and regulate matters '**connected therewith or incidental thereto,**' there is an unassailable legal basis for TRAI's jurisdiction over ALTDs.

Part 2 - The functional distinction argument

Airtel's Counter Comments

1. The 'Application-Layer vs. Network-Layer' distinction is already defeated by IPTV

Some submissions also argue that TRAI's statutory definition of 'broadcasting services' is confined to spectrum-dependent, physical transmission infrastructure and cannot extend to internet protocol delivery. Since ALTD/FAST services run as software on the application layer of the open internet; that they do not establish networks, transmit electromagnetic signals, hold spectrum or own carriage infrastructure; and therefore, fundamentally different from the entities regulated under the Telecommunications Act.

This argument draws a distinction that Indian broadcasting law has never recognised, and that would, if accepted, produce consequences far beyond the ALTD question. For instance, IPTV delivers content as IP data packets over broadband networks. It does not use spectrum. It is not meaningfully distinguishable

[1] Telecom Regulatory Authority Act, 1997

from ALTD delivery in technical terms. **However, despite identical architecture, it is regulated as a DPO.** The 'application-layer vs. network-layer' framing is a technical descriptor of network architecture, not a regulatory category. The Authority has, for over a decade, regulated services that deliver linear content over IP. Broadcasting means the distribution of linear television content to mass audiences. Whether the signal travels by satellite, cable, or internet protocol is the technology of delivery, it does not alter the nature of the service. The proposed framework for ALTD is a natural and necessary extension of that established regulatory logic, not a departure from it.

2. **The 'different commercial model' argument misreads the Tariff Order**

   Some stakeholders have argued that ALTD/FAST operates on advertising-supported or hybrid models, whereas DPO services operate on subscription, and that the two are commercially incomparable. The commercial *structure* through which a service is funded does not determine its regulatory *category*. The Tariff Order regulates the declared MRP of pay channels, not the consumer's mode of payment. Where a broadcaster declares a channel 'pay' under the Tariff Order and that channel is then distributed free on an ALTD platform under the same name and logo, it breaches the TRAI tariff obligations irrespective of whether the platform charges subscription or monetises through advertising. The substance of regulatory question 'is the consumer receiving a declared pay channel without the consumer paying declared MRP' is identical in both cases.

3. **The 'Scope is unworkable' and 'No Gatekeeper' claims - both fail**

   Some stakeholders have argued that any regulatory framework for internet-delivered linear television will apply to all OTT services - social media platforms, user-generated content services and live-streaming applications. This claim does not match the documented operational reality. **The framework under consultation applies specifically and exclusively to services that distribute pre-scheduled linear television channels displayed under names and logos approved by MIB under the Uplinking/Downlinking Guidelines. These criteria categorically exclude general-purpose OTT video services, on-demand catalogues, user-generated content, social media platforms, and live-streaming applications.**

   In fact, **ALTD platforms actively perform gatekeeping functions**: they curate channel line-ups, deciding which broadcasters are carried and on what commercial terms; they control EPG positioning, recommendation algorithms, and discovery features that materially shape what consumers watch; they sell advertising inventory and negotiate revenue-share arrangements with broadcasters; they control the consumer interface, onboarding, billing, and grievance redressal; they enter commercial pre-integration arrangements with device manufacturers and operating-system providers that confer prominence on specific channels. A broadcaster cannot reach consumers through an ALTD platform without entering a commercial arrangement with that platform. **The claim of disintermediation is rhetorical; the gatekeeping by ALTD platforms is real**.

Part 3 - The light-touch / innovation preservation argument

Airtel's Counter Comments

1. **The 'nascent market' argument has expired**

   Some stakeholders have argued that ALTD/FAST is a 'nascent' market in India, that imposing regulation at this stage would stifle innovation and that the framework should be confined to a light-touch registration regime to preserve the development of the sector.

The 'nascent market' framing was credible in 2020. It is no longer credible in 2026 when all TVs sold in India are smart TVs. The market data is uncontested: **Connected-TV households in India crossed 68 million** in 2025, with ~40 million active on a weekly basis - a sharp increase from 30 million in 2024.[2] AVOD/FAST viewing now contributes to 84% of the total streaming hours per household. The public broadcaster's ALTD platform reportedly crossed 80 lakh first-year downloads, with proposals reportedly under consideration for mandatory pre-installation on smart televisions. Connected-TV advertising revenues grew by 42% in 2025 to ~₹99 billion, even as linear-TV advertising declined by 10.3% over the same period.[3]

A market of this scale and growth trajectory is not nascent. It is the mainstream of Indian television distribution and is required to be regulated as such. **The 'innovation will be stifled' defence** is, in any case, most vigorously invoked by the largest and best-capitalised participants in the ecosystem. The framework's compliance burdens are calibrated to scale and operational complexity; they do not threaten genuine innovation but ensure accountability commensurate with market presence.

2. **The national security dimension and the international regulatory precedent**

   These stakeholders have also overlooked a dimension of the regulatory gap that goes to the heart of national security and sovereign oversight. **Several ALTD platforms operating in India today are foreign-headquartered, with no Indian entity, no India-located content monitoring, no enforceable take-down mechanism, no compliance with Programme and Advertisement Code (including no advertising cap) and no data localisation**. The same platforms also **carry linear channels that have not obtained MIB permission under the Uplinking/Downlinking Guidelines**. If content prejudicial to public order is streamed live, the State has no entity to serve notice on and no jurisdictional anchor. The Consultation Paper addresses precisely this risk, in step with international precedents (AVMSD, the Canadian Online Streaming Act, the UK Media Act). The proposition that India alone should preserve the present unregulated state runs against the considered direction of every mature regulatory jurisdiction.

Part 4 - The 'Hardware and Operating System provider exemption' argument

Airtel's Counter Comments

Some stakeholders have argued that TV manufacturers/OEMs & OS providers should be exempted as neutral technology enablers, similar to ISPs or smartphone makers, since they only provide hardware, OS, and app store facilities without contractual ties, playout infrastructure or editorial control. This framing is fundamentally flawed. **OEMs and OS providers are not passive conduits, they occupy a critical gatekeeping role in digital content distribution.** While they may not exercise editorial control, their strategic position as facilitators directly impacts consumer access and market dynamics, making regulatory oversight necessary and justified.

1. **Authorisation framework toothless without OEM/OS accountability**

   DPOs face strict regulations and high compliance costs, while ALTDs bypass these through unchecked pre-installation and app store listings by OEMs/OS providers, creating regulatory imbalance. **If OEMs and OS providers can freely pre-install or list unauthorised ALTD services, the MIB authorisation framework for application providers is rendered ineffective at the point of consumer access**, which is precisely where these gatekeepers operate. Targeted regulation at this layer is therefore essential to ensure parity with

[2] https://www.ey.com/content/dam/ey-unified-site/ey-com/en-in/insights/media-entertainment/documents/ey-stories-scale-and-impact-unlocking-indias-media-and-entertainment-economy.pdf
[3] https://www.ey.com/content/dam/ey-unified-site/ey-com/en-in/insights/media-entertainment/documents/ey-stories-scale-and-impact-unlocking-indias-media-and-entertainment-economy.pdf

registered DPOs, prevent unfair commercial advantage to unregulated services, and preserve the integrity of the authorisation framework itself.

2. **OEMs/OS providers control consumer access and exercise material market power**
OEMs and OS providers exert **significant influence over device ecosystems, default settings, home-screen prominence and app-store curation**. This gatekeeping function shapes consumer choice and the visibility of ALTD services from the very first point of interaction on a smart TV. Unregulated pre-installation or promotion can expose consumers to unauthorized or non-compliant content, while concentrating market power in entities that face none of the consumer-protection, content or grievance-redressal obligations imposed on registered DPOs. **Regulating this influence is necessary to ensure content quality, fair market access and consumer protection, consistent with established principles of economic regulation** aimed at preventing undue market power and anti-competitive outcomes.

Conclusion

In light of the foregoing, Airtel submits that the asymmetric status quo cannot continue. **Regulatory forbearance for all registered DPOs is the most proportionate and preferred solution as it preserves innovation** while ensuring parity across the broadcasting ecosystem. **If such forbearance is not practicable, the Authority must apply the principle of 'same content, same rules' to ALTD/FAST services uniformly**, without carve-outs that perpetuate regulatory arbitrage or undermine consumer fairness, **recognising ALTD as a category of DPO**s under the Broadcasting (Television Channel Distribution) Services framework, **mirroring DTH obligations** (excluding satellite-specific provisions), with **broadcasters compliant under the GBB framework**. Voluntary regimes, mere registration or tiered exemptions will entrench asymmetry and harm consumers, broadcasters and regulated DPOs.

The arguments advanced in opposition (jurisdictional, functional, innovation-based and OEM safe harbour) do not, on examination, withstand scrutiny. The **Authority is on firm legal, constitutional and policy ground to act**. A framework on **either of the two principled paths set out above will restore a level playing field, safeguard public interest and national security and align India's regulatory posture with global best practice**, while allowing ALTD services to thrive in an orderly manner.

We thank the Authority for the opportunity to file these counter-comments and remain available to engage further on any aspect of this submission as may be required.