



U.S. Chamber of Commerce

**U.S.-India  
Business Council**

Monday, May 25, 2026

Shri Anil Kumar Lahoti  
Hon'ble Chairman  
Telecom Regulatory Authority of India (TRAI)  
World Trade Centre, Nauroji Nagar, New Delhi

Re: Industry Concerns 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)

Dear Sir,

At the outset, U.S.-India Business Council (USIBC) would like to thank TRAI for its consistent and continued engagement with industry stakeholders and commend the Authority for undertaking a consultative approach to the formulation of a regulatory framework for Application-based Linear Television Distribution (ALTD) Services, including Free Ad-Supported Streaming Television (FAST) Services, through Consultation Paper No. 02/2026 dated 6th April 2026.

As you know, since our inception in 1975, the Council has tirelessly promoted an inclusive bilateral trade environment between India and the United States, and consistently advocates for a strong, strategic bilateral relationship in support of entrepreneurship, job creation and economic growth. USIBC's mission is to promote policies that increase bilateral trade and commerce across the economy via international best practices, transparency, and light touch regulation that attract investment and encourage the general ease of doing business.

USIBC is an integral part of the U.S. Chamber of Commerce, the largest business advocacy organization in the world, advocating in more than 50 countries in defense of free enterprise and to advance global trade and investment. USIBC directly represents over 200 companies of every size from multiple sectors based in India, the U.S., and like-minded nations, including many India based start-ups. Our digital membership includes semiconductor companies, cloud service providers, social media intermediaries, broadcasters, telecom operators, equipment manufacturers, systems integrators, and companies reliant on secure, trusted, and efficient global communications networks.

USIBC appreciates the Government of India's efforts in working towards and shaping a robust national technology and broadcasting policy. The continued consultation

process with industry is greatly appreciated and we look forward to the same going forward. Our industry members deeply appreciate TRAI's sustained efforts to strengthen India's broadcasting ecosystem and ensure a fair, transparent, and consumer-friendly environment which fosters innovation and promotes content creation. However, several provisions in the Consultation Paper raise significant concerns for our members, particularly those operating in the connected television (TV), smart device, over-the-top (OTT), and digital content distribution ecosystem. The proposed framework, if not carefully calibrated, risks stifling innovation in a nascent but high-growth segment that allows easy access to regional as well as global content. This would create barriers to digital trade, and imposing legacy broadcasting obligations on fundamentally different internet-based services.

We take this opportunity to highlight key issues that concern and have a significant impact on this industry, in view of the proposed regulatory framework. Some of the primary issues are listed below and discussed in detail in the Annexure attached:

**Statutory Limits of TRAI's Remit over** ALTD/FAST services: These services operate at the application layer over the open internet, relying on connectivity provided by licensed telecom operators, and do not involve carriage infrastructure, interconnection, or spectrum use—the areas traditionally regulated by TRAI — a position consistent with the Telecommunications Act, 2023, where Parliament excluded OTT or other application-layer services from telecom regulation. In addition, OTT services are subject to existing frameworks, including the Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 and the Consumer Protection Act, 2019, and, therefore, there is no regulatory gap warranting TRAI intervention.

**Overbroad Definition and Scope of 'ALTD Services':** The Consultation Paper proposes an expansive definition of ALTD Services that encompasses all application providers distributing linear television channels, whether pre-installed on devices, downloadable, or web based. This definition captures a wide range of internet-based services, including OTT platforms that offer some linear content alongside on-demand libraries, smart TV manufacturers whose devices come with pre-loaded apps, and operating system providers. Applying legacy broadcasting-style regulation to these fundamentally different digital or application-based services would be disproportionate and misaligned with international best practices, where jurisdictions such as the United Kingdom (UK), the European Union (EU), and Australia have adopted lighter-touch, technology-neutral approaches. Such services are aligned with global trends in digital content delivery and are the future of new age broadcasting.

**Disproportionate Authorization and Licensing Burden:** The proposal to require formal authorisation for ALTD service providers—akin to licensing requirements for

cable, direct-to-home (DTH), headend in the sky (HITS), internet protocol TV (IPTV), and future Direct-to-Mobile (D2M) operators is extremely regressive and —would impose significant compliance costs and unwarranted operational burdens on technology companies, smart TV manufacturers, and app-based platforms. Many of these entities are global companies that operate standardized product lines across multiple jurisdictions. India-specific licensing mandates would fragment globally integrated platforms, deter foreign investment, and create non-tariff barriers to digital trade. The authorisation framework should be proportionate to the nature and scale of the service, with lighter obligations for platforms that merely aggregate or facilitate access to already-licensed broadcaster content. The differentiated nature of these services from the traditional broadcasting methods is in their dependence on the internet as the delivery medium. Therefore, the traditional rules, regulations and licensing framework will only deter the growth of these services which are still at a nascent stage.

**Risk of Regulatory Overreach into the OTT and Connected TV Ecosystem:** The Consultation Paper's scope potentially extends to OTT platforms, smart TV operating systems, and connected device ecosystems that offer linear channels as one component of a broader service. These risks subjecting the entire connected TV value chain—including hardware manufacturers, open source (OS) providers, and app stores—to broadcasting-style regulation. Such an approach would be inconsistent with the IT (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (IT Rules), which already govern digital content platforms, and could create overlapping and conflicting regulatory obligations. TRAI should clearly delineate the boundary between ALTD regulation and existing IT Act/OTT governance to avoid regulatory duplication. In fact, TV manufacturers and operating system providers do not necessarily provide these services. Furthermore, TV manufacturers already operate in a complex and multilayered regulatory framework which requires compliance with Bureau of Indian Standards (BIS) norms, legal metrology rules, environmental obligation, etc.

**Barriers to Digital Trade, Innovation, and Consumer Choice:** India-specific mandates such as Electronic Program Guide (EPG)/home-screen placement rules, crossholding restrictions, mandatory must-carry obligations, and content archiving requirements diverge from international standards and fragment globally standardized product lines. These create significant non-tariff barriers to digital trade and deter investment in India's rapidly growing connected TV and streaming ecosystem. FAST services have been a consumer-friendly innovation thus providing free access to diverse content to a variety of users. Any attempt towards excessive regulation will risk reducing consumer choice, raising costs and adversely impacting the thriving **creator's economy**. **If at all required, a light touch** and simplified regulatory framework should be prioritized which is innovation-friendly, technology-neutral and preserves

consumer access to free, ad-supported content. This can simply be facilitated by enabling a registration framework that will disclose all channels offering linear content on the platform.

AI Innovations can reduce regulatory burdens for ALTD: Artificial Intelligence will enable transformative opportunities across the entire ALTD value chain. By way of illustration, AI-driven Electronic Programme Guides (EPGs) and recommendation engines can deliver personalized, multilingual content discovery across India's diverse linguistic landscape, while Dynamic Ad Insertion (DAI) enables addressable advertising that sustains the linear TV revenue model within app-based delivery. Predictive buffering, adaptive bitrate streaming, and AI-optimized CDN routing can ensure broadcast-grade Quality of Service across India's heterogeneous connectivity infrastructure. AI-powered compliance tools can further reduce the regulatory burden on ALTD operators — collectively positioning AI as a foundational enabler of a robust, inclusive, and well-governed ALTD ecosystem in India.

Pricing forbearance: In a free market, the pricing of services—unless they are essential—should not be regulated. TRAI should reconsider the rationale behind existing pricing regulations and assess whether the future of the broadcasting sector would benefit from a competitive market driven pricing regime.

Inadequate Consultation Timeline and Complexity: While USIBC appreciates TRAI's extension of the comment deadline to 11th May 2026, the Consultation Paper raises 22 complex questions spanning definition, authorization, content regulation, tariff, audience measurement, and consumer protection. The technical, operational, and regulatory dimensions involved require careful cross-functional analysis and benchmarking against international best practices. Industry stakeholders have noted that complexity warrants further engagement, including open-house discussions and working group consultations, before any framework is finalized. We therefore respectfully urge TRAI to recommend to the Ministry of Information and Broadcasting (MIB) to:

- *Adopt a proportionate, technology-neutral, and innovation-friendly regulatory approach* that distinguishes between traditional broadcasting distribution and internet-based content delivery, avoiding the imposition of legacy broadcasting obligations on digital platforms.
- *Establish a multi-stakeholder working group between MIB, and industry representatives*, including global technology companies, smart TV manufacturers, OTT platforms, and broadcasters—to discuss implementation challenges and develop a balanced framework.

- *Ensure clear delineation between ALTD/FAST regulation and existing IT Act/OTT governance* under Ministry of Electronics and Information Technology (MeitY) to avoid overlapping compliance obligations.
- *Benchmark the proposed framework against international best practices such as the EU's Audiovisual Media Services Directive (AVMSD), the UK's Office of Communications (Ofcom), and the Australian Communications and Media Authority (ACMA) to ensure India remains an attractive destination for digital investment.*
- Allow fair competition and let the market forces determine the pricing of such innovative services. This will help to promote innovation while empowering the consumers and content creators. Further, regulating prices to bring parity across different modes would be against the provisions of the Competition Act.

USIBC thanks the Authority for taking into consideration our inputs. We will be happy to work with you going forward on issues of mutual interest and various consultations. We once again commend TRAI for their efforts and working with industry members in shaping sound broadcasting and technology policies. For any queries related to this consultation, you may please reach my colleague Dr. Sameer Guduru, Director for Strategic Technologies ([sguduru@usibc.com](mailto:sguduru@usibc.com) / +91 918202884). We will be happy to work with you going forward on issues of mutual interest and various consultations.

Sincerely,



Jay Gullish  
Executive Director  
U.S.-India Business Council

cc:

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## ANNEXURE

Concern	Comments & Recommendations
1. Overbroad Definition and Scope of ALTD Services	<p>The Consultation Paper defines ALTD Services to encompass all application providers distributing linear television channels—whether pre-installed, downloadable, or web-based. This definition is overly expansive and risks capturing OTT platforms, smart TV manufacturers, OS providers, and app stores that offer linear content as one component of a broader digital service.</p> <p>International jurisdictions have adopted more targeted approaches. The UK's Ofcom treats FAST channels as a subset of streaming without imposing full broadcasting obligations. The EU's AVMSD applies proportionate rules based on editorial responsibility. Italy has introduced light-touch authorization specifically for FAST channel distributors.</p> <p><i>Recommendation: The definition should be narrowly tailored to entities that exercise editorial control over the selection and scheduling of linear channels, rather than capturing the entire technology value chain. OTT platforms offering linear content alongside on-demand libraries should continue to be governed under the IT Rules, 2021. A clear carve-out should be provided for hardware manufacturers and OS providers who do not exercise editorial control over channel selection.</i></p>
2. Disproportionate Authorization and Licensing Burden	<p>The proposal to require formal authorisation for ALTD service providers—comparable to licensing for cable, DTH, HITS, and IPTV operators—would impose significant compliance costs on technology companies and app-based platforms. Regressive requirements such as net worth thresholds (proposed at Rs. 1 crore), bank guarantees, annual fees, and detailed reporting obligations are designed for capital-intensive infrastructure operators and are disproportionate for such internet-based services, which do not use any traditional infrastructure.</p> <p>Many ALTD/FAST platforms are operated by global technology companies with standardized product architectures. India-specific licensing mandates would fragment globally integrated platforms, require dedicated India-specific engineering, and create non-tariff barriers to digital trade. This is particularly concerning given India's stated policy objectives of attracting foreign investment in the digital economy and its aim to be a global powerhouse in content creation and provision of innovative services to its users.</p> <p><i>Recommendation: TRAI should adopt a tiered, proportionate authorization framework. Platforms that merely aggregate or facilitate access to already-licensed broadcaster content should face lighter obligations (e.g., registration rather than full licensing). Full authorization requirements should be reserved for entities that exercise significant editorial control and operate at scale comparable to traditional Distribution Platform Operators (DPO). The framework should avoid imposing infrastructure-era obligations on internet-era services.</i></p>
3. Regulatory Overreach into OTT and Connected TV Ecosystem	<p>The Consultation Paper's scope potentially extends to the entire connected TV value chain—including smart TV manufacturers, OS providers, app stores, and content aggregators. These risks subject entities that are primarily technology or hardware companies to broadcasting-style regulation.</p>

	<p>This approach creates overlapping and potentially conflicting regulatory obligations with the IT Rules, which already govern digital content platforms under MeitY's jurisdiction. Dual regulations by both TRAI and MeitY would create compliance uncertainty, increase costs, and deter investment.</p> <p>Recommendation: TRAI should clearly delineate the boundary between ALTD regulation and existing IT Act/OTT governance. Hardware manufacturers and OS providers should not be treated as primary regulated entities unless they directly operate and editorially control FAST channel services. A coordination mechanism between TRAI and MeitY should be established to prevent regulatory overlap.</p>
<p>4. Barriers to Digital Trade and Innovation</p>	<p>Several proposed obligations—including EPG/home-screen placement rules, crossholding restrictions, mandatory must-carry obligations, content archiving requirements, and India-specific data localization for audience measurement—diverge from international standards and fragment globally standardized product lines.</p> <p>FAST services have been a consumer-friendly innovation providing free access to diverse content across 129+ million connected TV users in India. Excessive regulation risks reducing consumer choice, raising costs, and stunting the growth of a segment projected to reach USD 104 million in revenue and 149 million users by 2027.</p> <p>The proposed framework also risks creating mixed signals for investors, particularly at a time when India is actively courting global technology investment. Mandates that require India-specific product architectures create compliance costs that are operationally infeasible at a global scale.</p> <p><i>Recommendation: The framework should prioritize innovation-friendly, future-oriented, technology-neutral regulation that preserves consumer access to free, ad-supported content. Obligations should be benchmarked against international best practices (EU AVMSD, UK Ofcom, Australian ACMA, the Canadian Radio-television and Telecommunications Commission (CRTC) to ensure India remains competitive. Crossholding restrictions and must-carry obligations designed for legacy broadcasting should not be mechanically applied to internet-based services.</i></p>
<p>5. Pay Channel Leakage and Tariff Concerns</p>	<p>The Consultation Paper raises legitimate concerns about pay television channels being made available free on FAST platforms, potentially undermining existing tariff regulations. However, the solution should not be to impose blanket restrictions that limit consumer access to free content.</p> <p>In many cases, broadcasters themselves choose to make their content available for free on FAST platforms as part of their distribution strategy. The issue is primarily one of broadcaster-platform contractual arrangements and rights management, not platform regulation.</p> <p><i>Recommendation: Rather than imposing platform-level restrictions, TRAI should require transparency in broadcaster-platform agreements and ensure that broadcasters who place content on FAST platforms do so with appropriate authorization with due intimation to MIB. The focus should be on enforcing existing rights frameworks rather than creating new platform-level obligations that could restrict consumer access to free content.</i></p>
<p>6. Consumer Protection and Grievance Redressal</p>	<p>While consumer protection is a legitimate regulatory objective, the proposed framework should not duplicate existing mechanisms under the IT Rules, 2021, and the Consumer Protection Act, 2019. Many ALTD/FAST platforms already</p>

	<p>maintain grievance redressal mechanisms, content moderation systems, and complaint handling processes.</p> <p>The requirement for India-based grievance officers and local compliance entities is reasonable, but should be implemented in a manner that accounts for the global nature of technology platforms and avoids creating India-specific compliance architectures that are disproportionate to the risk.</p> <p>Recommendation: TRAI should leverage existing consumer protection frameworks rather than creating parallel mechanisms. Where additional obligations are warranted, they should be proportionate, clearly defined, and aligned with international norms for digital services.</p>
<p>7. Audience Measurement and Data Practices</p>	<p>The Consultation Paper proposes integrating ALTD/FAST viewership data into the television ratings ecosystem and potentially mandating platform-level data disclosure. While transparency in audience measurement is important, mandating specific data-sharing requirements raises concerns about proprietary business information, user privacy, and compliance with the Digital Personal Data Protection Act, 2023 (DPDPA)</p> <p>FAST platforms collect anonymized and aggregated data (watch time, session duration, engagement trends). Mandating granular data disclosure could conflict with privacy obligations and create competitive disadvantages for platforms that invest in data analytics capabilities.</p> <p><i>Recommendation: TRAI should encourage industry-led, voluntary audience measurement standards rather than mandating specific data-sharing requirements. Any data disclosure obligations should be consistent with the DPDPA and should protect proprietary business information while ensuring sufficient transparency for advertisers and the broader ecosystem.</i></p>
<p>8. Pricing Forbearance</p>	<p>ALTD services and traditional distribution platforms exhibit significant differences in content delivery and revenue generation. Traditional platforms predominantly operate on subscription-based models, while ALTD services can adopt either paid or free approaches. ALTD services can be offered to consumers without subscription fees, with advertising revenue serving as the primary source of income for all stakeholders. This model facilitates the free distribution of linear content, as broadcasters can explicitly license channels to application providers for ad-supported delivery.</p> <p>In a free market, pricing decisions should be determined by broadcasters rather than regulators. Regulatory intervention should be limited to essential services, allowing market dynamics to dictate the pricing of ALTD services. Imposing price regulations to achieve parity across different distribution modes would contravene the principles of the Competition Act.</p> <p>Both distribution mechanisms differ, necessitating distinct infrastructure and technologies, and thus warranting differentiated regulatory approaches. Uniform regulation would stifle innovation and technological advancements, depriving consumers of the unique benefits offered by ALTD services.</p> <p><i>Recommendation: Forbearance in pricing regulation is crucial for the growth of ALTD services. By refraining from imposing rigid pricing controls, regulators can foster an environment conducive to innovation, competition, and consumer choice. This approach not only supports the evolution of ALTD services but also ensures that the broadcasting sector remains dynamic and responsive to market demands. In fact, TRAI should evaluate the effectiveness of the existing pricing mechanisms applicable to traditional</i></p>

	<i>broadcasting mediums and assess whether such controls have genuinely served the purpose of creating customer value.</i>
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