TRAI Directives to Cable and DTH Operators

Why in news?

\n\n

The tariff order on broadcasting and cable services issued by the Telecom Regulatory Authority of India (TRAI) is set to become effective on February 1, 2019.

\n\n

What is the TRAI's order?

\n\n

\n
- A base package of 100 standard definition television channels will be provided to consumers for a basic price of Rs 100 as the network capacity fee.
\n
- Even within this group, there is freedom to choose channels, with a provision for appropriate revision for any pay channels.
\n
- The base price for DTH (Direct-To-Home) will cost a maximum of Rs 130 plus taxes. This will include all free-to-air channels.
\n
- Earlier, combinations of free and pay channels were decided by distributors and broadcasters as bouquets.
\n
- This did not reflect actual demand for individual channels.
\n
- But consumers will now be able to opt for channels via a-la-carte list.
\n
- This effectively means one can pick and chose only those channels that one wants to watch and let go of the rest.
\n
- This will enable the users to create their own packages.
\n
- The channels may be priced from anything between Rs 0 to Rs 60.
\n
- It is to be noted that channel packages provided by the broadcasters may

also exist.
\n
- But they may or may not be custom tailored depending on each consumer.
\n
- Also, at least 85% of the total price of all channels that are part of it should be charged, removing the incentive to distort prices.
\n
- The pricing as well as the channels and the number of channels offered in these packs will also depend on the competition.
\n
- TRAI has put up a calculator on its website to help consumers calculate bills under the new regime before signing up for a package.
\n

\n\n

What is the significance?

\n\n

\n
- TRAI's regulation will ensure the implementation of a fair price model for both the consumers and the broadcasters.
\n
- It provides for greater choice and transparency on pricing of channels, by removing distribution bottlenecks and empowering consumers.
\n
- The maximum price for pay channels declared by the broadcaster is reported to TRAI, bringing about greater transparency.
\n

\n\n

What is the case with new platforms?

\n\n

\n
- Television in the conventional sense has changed in the era of the Internet, with the emergence of new distribution possibilities.
\n
- Many broadcasters, including popular news channels, provide their content free on platforms such as YouTube and through mobile apps.
\n
- Global Over the Top (OTT) providers such as Netflix and Amazon Prime have opened a new front.
\n
- They are competing for viewers who get advertisement-free programming

streamed on subscription.
\n
- Broadcast licensing does not apply to such new technology platforms and so, they do not come under TRAI's price regulation.
\n
- Given this, a transparent pricing regime and better choices makes conventional TV competitive on par with these new platforms.
\n

\n\n

\n\n

Source: The Hindu, Hindustan Times

\n