

## **TRAI Directives to Cable and DTH Operators**

### **Why in news?**

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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.

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### **What is the TRAI's order?**

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  - 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.
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  - Even within this group, there is freedom to choose channels, with a provision for appropriate revision for any pay channels.
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  - 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.
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  - Earlier, combinations of free and pay channels were decided by distributors and broadcasters as bouquets.
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  - This did not reflect actual demand for individual channels.
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  - But consumers will now be able to opt for channels via a-la-carte list.
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  - This effectively means one can pick and chose only those channels that one wants to watch and let go of the rest.
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  - This will enable the users to create their own packages.
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  - The channels may be priced from anything between Rs 0 to Rs 60.
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  - It is to be noted that channel packages provided by the broadcasters may

also exist.

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- But they may or may not be custom tailored depending on each consumer.
- 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.
- The pricing as well as the channels and the number of channels offered in these packs will also depend on the competition.
- TRAI has put up a calculator on its website to help consumers calculate bills under the new regime before signing up for a package.

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### **What is the significance?**

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

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### **What is the case with new platforms?**

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

streamed on subscription.

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- Broadcast licensing does not apply to such new technology platforms and so, they do not come under TRAI's price regulation.

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- Given this, a transparent pricing regime and better choices makes conventional TV competitive on par with these new platforms.

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**Source: The Hindu, Hindustan Times**

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