



# IAS PARLIAMENT

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A Shankar IAS Academy Initiative

## Net Neutrality

### Why in news?

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Telecom Regulatory Authority of India (TRAI) released consultation paper on 'Net neutrality' and asked for written comments from stakeholders.

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### What is the current scenario?

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- Internet consumption in India is rapidly growing with around 370 million subscribers already using data services.

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- This huge market opportunity has pitted large telecom companies and internet giants against each other.

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- So it is critical that India sets out clear regulations prohibiting all practices that tilt the network in favour of anyone.

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### What is net neutrality?

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Net neutrality is the principle that Internet service providers (ISP) and governments regulating the Internet should treat all data on the Internet the same and should not discriminate or charge differentially.

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### Why is it important?

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- Web users are **free to connect** to whatever website or service they want. This has allowed the internet to grow into a truly global network and has allowed people to freely express themselves.

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- It has **enabled a level playing field** on the internet.

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- To start a website, one doesn't need lot of money or connections. If the service is good, it will find favour with web users. Unlike the cable TV where one has to forge alliances with cable connection providers to make sure that your channel reaches viewers, on internet one doesn't have to talk to ISPs. This has led to creation of Google, Facebook, Twitter and countless other services, all of them had very humble beginnings.

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### **What is a Zero-Rating Platform?**

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- Zero-rating platforms (ZRP) offer free access to a limited number of sites through select telecom providers.

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- Those who wanted unrestricted access to the entire internet would still have to pay, but the poor would have access to a few useful sites offered by them.

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- Facebook's Free Basics is an example.

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- The TRAI last year ruled to end the Free Basics in India.

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### **Are ZRP necessary to increase access?**

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- India has been closing the "internet gap" at a rapid rate well before Free Basics. Over 70% of Indians have mobile phones, and the numbers are rising faster in India than anywhere else in the world.

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- Funds collected by government from telecoms companies under its Universal Service Obligation Fund (USOF) and TRAI's move to raise more through its licence fee for ISP can be used to subsidise Internet access for the poor. It

can include all government sites, essential health information and so on and it can truly achieve free basics.

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## Why are ZRPs detrimental?

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- It essentially creates a **two-tier system** with a fast and a slow lane.
- The free content will be on the slow lane where the download speed will be low.
- Those with resources to promote their content will be on the paid fast lane with high download speed.
- This effectively **erodes the concept of level playing field**, as new comers will no longer be able to compete with the already established tech giants.
- This is also detrimental from the consumer point of view as their **usage pattern will be controlled** by the telecom companies.

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## Is the self-regulation a solution?

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- All telecom operators openly support the idea of net neutrality.
- Therefore they argue that internet services should be under a self-regulatory mechanism for adhering to core principles of neutrality.
- But there is a risk of some operators indulging in discriminatory practices such as blocking of particular content or tweaking speeds for access to particular services.
- Most consumers in India, being first time users, would not even realise that their network has been gamed to favour a particular content provider.
- So an intervention is needed in favour of net neutrality.

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## **What has to be done?**

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  - The consultation paper comes at a time when the country is on the cusp of a digital revolution.
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  - Over the past two years, there have been several piecemeal attempts to determine India's approach to this issue.
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  - The TRAI has rightly pointed out that end users should be informed about such traffic management practices and the reason for which they are being deployed.
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  - In February last year, the TRAI disallowed differential pricing for data services.
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  - But then it allowed differential tariffs to be offered for data transmitted over "closed electronic communications networks" leaving the door open for telecom operators to create a parallel network.
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  - TRAI must ensure that the battle be fought through innovative products and best quality services, rather than by gaming the network to influence consumer behaviour.
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  - The regulator should also put in place a mechanism to monitor and enforce the principles of net neutrality.
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  - The latest consultation paper gives TRAI the opportunity to redeem itself by mandating neutrality without exceptions.

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**Category: Mains | GS - II | Government Policies**

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**Source: Business Line**

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