



## 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.  
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- 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.  
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- The pricing as well as the channels and the number of channels offered in these packs will also depend on the competition.  
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- 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.  
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- It provides for greater choice and transparency on pricing of channels, by removing distribution bottlenecks and empowering consumers.  
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- 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.  
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- Many broadcasters, including popular news channels, provide their content free on platforms such as YouTube and through mobile apps.  
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- Global Over the Top (OTT) providers such as Netflix and Amazon Prime have

opened a new front.

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- 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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