



Clearer TV

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New TRAI order provides for greater choice and transparency on pricing of channels

- The tariff order on broadcasting and cable services issued by the Telecom Regulatory Authority of India is set to become effective on February 1, giving the consumer the option to pay only for those channels customer wants to watch.
- Under the scheme, there is also a maximum price for pay channels declared by the broadcaster, which is reported to TRAI, bringing about greater transparency.
- Each channel will be available on an a la carte basis.
- The effect is that the consumer's subscription cost on a base package of 100 standard definition television channels is fixed in the form of a network capacity fee.
- And even within this group, there is freedom to choose channels, with a provision for appropriate revision for any pay channels.
- This is a welcome departure from a regime where combinations of free and pay channels were decided by distributors and broadcasters as bouquets that did not reflect actual demand for individual channels.
- 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 phone applications, reaching global audiences.
- Global Over the Top (OTT) providers such as Netflix and Amazon Prime have opened a new front and are competing for viewers who get advertisement-free programming streamed on subscription.
- TRAI has made clear that since broadcast licensing does not apply to such new technology platforms, these do not come under price regulation.
- In the fast-changing competitive landscape of home entertainment, conventional TV must now compete on the strength of transparent

pricing and better programming for subscription revenue growth and viewer time that attracts advertising.

- The broadcast industry must welcome a new era that promises to remove distribution bottlenecks and empower consumers with choice.

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