

**Information note to the Press (Press Release No. 119/2016)**

For Immediate Release

**Telecom Regulatory Authority of India**

**TRAI releases Recommendations on “Encouraging Data usage in Rural Areas through Provisioning of Free Data”**

**New Delhi, 19<sup>th</sup> December, 2016** – The Telecom Regulatory Authority of India (TRAI) has today issued its Recommendations on **“Encouraging Data usage in Rural Areas through Provisioning of Free Data”**.

2. The Authority issued a Consultation Paper on “Free Data” on 19<sup>th</sup> May, 2016 to address the issue of providing free internet access to consumers and to explore a possibility of ‘TSP agnostic platform’ which can facilitate app developers to promote their website without entering into agreement with TSPs for making their website popular. The comments and counter-comments received from the stakeholders were placed on the TRAI’s website. An Open House Discussion (OHD) with stakeholders was organized on 24<sup>th</sup> October 2016 at Hyderabad

3. In the consultation paper issued by TRAI the objective was to explore model(s) that could achieve the benefits of offering free data while avoiding the ingenuity that the Differential Tariff Regulation is meant to prevent.

4. After considering the comments from the stakeholders and further analysis, the Authority has come out with its Recommendations on “Provisioning of Free Data”.

5. Provisioning of Internet access to all sections of the population, including rural masses, is *sine qua non* for their digital empowerment and, in turn, for bridging the urban-rural divide. These policy goals, however, also need to be seen in light of the fact that (i) the Internet remains to be unaffordable for a vast majority of rural population; and (ii) basic Internet

infrastructure continues to remain inadequate in most rural and remote areas of the country. This situation calls for the adoption of a range of innovative solutions that will help in enabling the broadest set of users to connect to the Internet through reliable and ubiquitous networks, access to which is within their reach and means. Given this context, there appears to be a strong case for providing support through the USOF for improvement of public use of Internet in rural and remote areas of the country.

6. The salient features of the recommendations are as follows

- In order to bridge the affordability gap for the persons residing in rural areas and to support Governments efforts towards cashless economy by incentivising digital means, the Authority recommends that a scheme under which a reasonable amount of data say 100 MB per month may be made available to rural subscribers for free.
- The cost of implementation of the scheme may be met from USOF.
- To increase participation of other entities for incentivizing free data, there is an urgent need to introduce third party (Aggregator) to facilitate schemes which are TSPs agnostic and non discriminatory in their implementation.
- Scheme for free data must be TSP-agnostic, must not involve any arrangement between the TSP and the aggregator/content provider and should not be designed to circumvent the “The Prohibition of Discriminatory Tariffs for Data Services Regulations,” notified on 8<sup>th</sup> February, 2016.
- The following mechanism is recommended
  - The Aggregators will need to register with DoT.
  - The registrant must be a company registered under Indian Companies Act, 1956.
  - The validity of registration shall be 5 years.
  - The registrant shall not either directly or indirectly, assign or transfer the Registration in any manner whatsoever to a third party either in whole or in part.



7. The introduction of schemes for the provision of free data services into the Indian telecom market would create the benefits in terms of (i) Greater digital inclusion (ii) Increased spend on telecommunication services (iii) Innovation in content and services.

The recommendations have been placed on TRAI's website [www.trai.gov.in](http://www.trai.gov.in).

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