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RAILTEL

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Undertaking

रेलटेल कॉर्पोरेशन ऑफ इण्डिया लिमिटेड

(भारत सरकार का एक उपक्रम)

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Subject: Consultation Paper on "Review of the Internet Services"

Reference: Open House Session held on 08/02/2007

With reference to the above, the following points may also be considered while reviewing Internet services in the country: -

- i) Presently, supply of Internet Bandwidth in the country is mainly controlled by 3 operators viz. M/s Bharti, M/s Reliance & M/s VSNL. All of them are Class-A ISP's and have requisite approvals to setup International Gateways and Landing Stations required for supply of Internet bandwidth in the country. All these 3 operators are also access service providers either directly or through their associate companies.
- ii) From recent interactions, within the ISPAI and NIXI, it is learnt that the present Internet traffic is 90% local and 10% International. During discussions organized by DIT, all of these three IBW suppliers have resisted interconnection of NIXI nodes on the pretext that all of them are already interconnected with each other and therefore the local internet traffic is routed locally instead of the perceived International route and therefore interconnecting NIXI nodes will not serve any purpose.
- iii) Further, the pricing of Internet bandwidth is said to be dependent on mainly three components i.e. the NLD, IPLC & IP Port charges. Considering this along with the above fact that the internet traffic is predominantly local (considering the Internet traffic pattern is 90% local & 10% international), it is seen that pricing of the IBW by these 3 operators is very much on higher side as the IPLC component of the price should be negligible, of the order of 10% only.

In fact, for cases where IBW is sourced from the Landing station itself, the price should be further on the lower side as for such cases the NLD carriage component is also not applicable and the IPLC component is any way very less as detailed above.

2) The IBW suppliers presently have only one rate for IBW, which is prominently on the high side on the plea of the costing of the three components i.e. NLD, IPLC & IP Port charges which is not correct as detailed above. To take care of different traffic mix in the industry, the operators should be asked to provide different prices for different type of services i.e. prominently local, prominently International & equal mix of local & international.

3) Considering the above it is requested that TRAI should intervene in regulating the prices of the Internet bandwidth and also consider the following:-

- i) The IBW suppliers should be asked to offer different products for different mix of traffic instead of only one common rate as under:-
 - a) Prominently Local (75 % local & 25% International)
 - b) Prominently International (25 % local & 75% International)
 - c) Equal Local & International (50% local & 50% International)

ii) Legislation of Interconnection of NIXI nodes.

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