



सत्यमेव जयते

भारतीय दूरसंचार विनियामक प्राधिकरण
Telecom Regulatory Authority of India



DRAFT
THE TELECOMMUNICATION TARIFF
(SEVENTY FIRST AMENDMENT) ORDER, 2025
(_____ OF 2025)

New Delhi
15th January 2025

World Trade Centre, Tower-F,
Nauroji Nagar,
New Delhi- 110029

Stakeholders are requested to send their written comments on the Draft Telecommunication Tariff (Seventy First Amendment) Order, 2025 by 31st January 2025 and counter comments, if any, may be submitted by 7th February 2025

The comments and counter comments may be sent, preferably in electronic form to Shri Amit Sharma, Advisor (Financial & Economic Analysis), TRAI, on the e-mail: fa@traigov.in. Comments and counter comments will be posted on TRAI's website (www.traigov.in).

For any clarification/information, please contact Shri Amit Sharma, Advisor (F&EA), TRAI at Tele no.: +91-11-20907772.

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TELECOM REGULATORY AUTHORITY OF INDIA

DRAFT NOTIFICATION

New Delhi, the 15th January, 2025

F. No. RG-(6)/2024-FEA-II ---- In exercise of the powers conferred upon it under sub-section (2) of section 11, read with sub-clause (i) of clause (b) of sub-section (1) of the said section, of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), the Telecom Regulatory Authority of India hereby makes the following Order further to amend the Telecommunication Tariff Order, 1999, namely:-

**THE TELECOMMUNICATION TARIFF (SEVENTY FIRST AMENDMENT)
ORDER, 2025
(... of 2025)**

1. (1) This Order may be called the Telecommunication Tariff (Seventy First Amendment) Order, 2025.

(2) It shall come into force from the date of its publication in the Official Gazette.

2. In Schedule VI to the Telecommunication Tariff Order, 1999, the following item (5) and entry thereto shall be inserted, namely: -

ITEM	TARIFF
(5) Tariff for broadband connectivity (FTTH) provided by service providers to Public Data Offices (PDOs) under the PM-WANI scheme for capacities corresponding to those offered under the retail broadband Fiber-to-the-Home (FTTH) plans	Broadband tariff (FTTH) for Public Data Office (PDO) under the PM-WANI scheme shall not exceed twice the tariff applicable for retail broadband FTTH services for the corresponding capacity offered by the respective service provider.

(D. Manoj)
Pr. Advisor (F&EA)

Note - The Telecommunication Tariff Order, 1999 was published in the Gazette of India, Extraordinary, Part III, Section 4 under notification No. 99/3 dated 9th March, 1999, and subsequently amended as given below: -

Amendment No.	Notification No. and Date
1 st	301-4/99-TRAI (Econ) dated 30.03.1999
2 nd	301-4/99-TRAI(Econ) dated 31.05.1999
3 rd	301-4/99-TRAI(Econ) dated 31.05.1999
4 th	301-4/99-TRAI(Econ) dated 28.07.1999
5 th	301-4/99-TRAI(Econ) dated 17.09.1999
6 th	301-4/99-TRAI(Econ) dated 30.09.1999
7 th	301-8/2000-TRAI(Econ) dated 30.03.2000
8 th	301-8/2000-TRAI(Econ) dated 31.07.2000
9 th	301-8/2000-TRAI(Econ) dated 28.08.2000
10 th	306-1/99-TRAI(Econ) dated 09.11.2000
11 th	310-1(5)/TRAI-2000 dated 25.01.2001
12 th	301-9/2000-TRAI(Econ) dated 25.01.2001
13 th	303-4/TRAI-2001 dated 01.05.2001
14 th	306-2/TRAI-2001 dated 24.05.2001
15 th	310-1(5)/TRAI-2000 dated 20.07.2001
16 th	310-5(17)/2001-TRAI(Econ)dated 14.08.2001
17 th	301/2/2002-TRAI(Econ) dated 22.01.2002
18 th	303/3/2002-TRAI(Econ) dated 30.01.2002
19 th	303/3/2002-TRAI(Econ) dated 28.02.2002
20 th	312-7/2001-TRAI(Econ) 14.03.2002
21 st	301-6/2002-TRAI(Econ) dated 13.06.2002
22 nd	312-5/2002-TRAI(Eco) dated 04.07.2002
23 rd	303/8/2002-TRAI(Econ) dated 06.09.2002
24 th	306-2/2003-Econ dated 24.01.2003
25 th	306-2/2003-Econ dated 12.03.2003
26 th	306-2/2003-Econ dated 27.03.2003
27 th	303/6/2003-TRAI(Econ) dated 25.04.2003
28 th	301-51/2003-Econ dated 05.11.2003
29 th	301-56/2003-Econ dated 03.12.2003
30 th	301-4/2004(Econ) dated 16.01.2004
31 st	301-2/2004-Eco dated 07.07.2004
32 nd	301-37/2004-Eco dated 07.10.2004
33 rd	301-31/2004-Eco dated 08.12.2004
34 th	310-3(1)/2003-Eco dated 11.03.2005
35 th	310-3(1)/2003-Eco dated 31.03.2005
36 th	312-7/2003-Eco dated 21.04.2005
37 th	312-7/2003-Eco dated 02.05.2005
38 th	312-7/2003-Eco dated 02.06.2005

39 th	310-3(1)/2003-Eco dated 08.09.2005
40 th	310-3(1)/2003-Eco dated 16.09.2005
41 st	310-3(1)/2003-Eco dated 29.11.2005
42 nd	301-34/2005-Eco dated 07.03.2006
43 rd	301-2/2006-Eco dated 21.03.2006
44 th	301-34/2006-Eco dated 24.01.2007
45 th	301-18/2007-Eco dated 05.06.2007
46 th	301-36/2007-Eco dated 24.01.2008
47 th	301-14/2008-Eco dated 17.03.2008
48 th	301-31/2007-Eco dated 01.09.2008
49 th	301-25/2009-ER dated 20.11.2009
50 th	301-24/2012-ER dated 19.04.2012
51 st	301-26/2011-ER dated 20.04.2012
52 nd	301-41/2012-F&EA dated 19.09.2012
53 rd	301-39/2012-F&EA dated 01.10.2012
54 th	301-59/2012-F&EA dated 05.11.2012
55 th	301-10/2012-F&EA dated 17.06.2013
56 th	301-26/2012-ER dated 26.11.2013
57 th	312-2/2013-F&EA dated 14.07.2014
58 th	312-2/2013-F&EA dated 01.08.2014
59 th	310-5 (2)/2013-F&EA dated 21.11.2014
60 th	301-16/2014-F&EA dated 09.04.2015
61 st	301-30/2016-F&EA dated 22.11.2016
62 nd	301-30/2016-F&EA dated 27.12.2016
63 rd	312-1/2017-F&EA dated 16.02.2018
64 th	301-20/2018-F&EA dated 24.09.2018
65 th	301-03/2020-F&EA dated 03.06.2020
66 th	C-3/7/(5)/2021-FEA-1 dated 27.01.2022
67 th	C-3/7/(5)/2021-FEA-1 dated 31.03.2022
68 th	C/(5)/2021-FEA-II dated 07.04.2022
69 th	C/(2)/2021-FEA-I dated 06.12.2022
70 th	RG-13/1/(1)/2023-ADV_FEA-I dated 23.12.2024

Note – The Explanatory Memorandum explains the objects and reasons for the proposed Telecommunication Tariff (Seventy First Amendment) Order, 2025.

EXPLANATORY MEMORANDUM

1. The Telecom Regulatory Authority of India (hereinafter referred to as “the Authority”) is established under the Telecom Regulatory Authority of India Act, 1997 (TRAI Act). Section 11(2) of TRAI Act provides that:-

“Notwithstanding anything contained in the Indian Telegraph Act, 1885 (13 of 1885), the Authority may, from time to time, by order, notify in the Official Gazette the rates at which the telecommunication services within India and outside India shall be provided under this Act including the rates at which messages shall be transmitted to any country outside India.

Provided that the Authority may notify different rates for different persons or class of persons for similar telecommunication services and where different rates are fixed as aforesaid the Authority shall record the reason therefor.”

2. In exercise of the above powers, the Authority has been notifying tariffs for various telecommunication services.

3. Accordingly, the Authority on 23rd August, 2024 issued the draft Telecommunication Tariff (Seventieth Amendment) Order, 2024 proposing “Tariff for Public Data Office under PM-WANI scheme shall be same as is applicable for retail broadband (FTTH) connection.” In the Explanatory Memorandum of the draft TTO, the Authority cited the reasons for issuing the Consultation Paper, which, *inter alia*, included the following:

3.1 In March 2017, TRAI through its Recommendations on "Proliferation of Broadband through Public Wi-Fi Networks"¹ addressed various issues pertaining to bandwidth availability, regulatory and commercial constraints, demand side issues, authentication, and payment processes that potentially impact the uptake of public Wi-Fi.

3.2 In December 2020, the Union Cabinet approved the proposal of DoT to proliferate Broadband through Public Wi-Fi networks under the framework of Prime Minister’s

¹ https://traigov.in/sites/default/files/WiFi_Recommendation_09032017.pdf

Wi-Fi Access Network Interface (PM-WANI). This framework takes forward the National Digital Communications Policy, 2018 (NDCP, 2018)'s mission of 'Connect India' for creating a robust digital communications infrastructure. The PM-WANI framework envisages the provision of Broadband through Public Wi-Fi Hotspot providers and consists of the following elements:

- (i) Public Data Office (PDO), which establish, maintain, and operate PM-WANI compliant Wi-Fi Access Points and provide last-mile connectivity to deliver Broadband services to subscribers by procuring internet bandwidth from telecom service providers and/or internet service providers;
- (ii) Public Data Office Aggregator (PDOA), which provide aggregation services, such as authorization and accounting to PDOs, thereby facilitating PDOs in providing services to the end consumer;
- (iii) App Provider, who develops an application to register users and 'discover' and display PM-WANI compliant Wi-Fi hotspots in the proximity for accessing the internet service and also authenticate the potential Broadband users;
- (iv) A Central Registry, which maintains the details of App Providers, PDOAs, and PDOs. The Central Registry is maintained by the Centre for Development of Telematics (C-DoT)²;
- (v) Wi-Fi Access Network Interface (WANI) ensures the interworking among systems and software applications used by these distributed entities i.e. PDOA, PDO, App Provider, and Central Registry.

3.3 In December 2020, the Department of Telecommunication (DoT), vide its press release dated 09.12.2020³, highlighted various economic⁴, financial and other benefits of the PM-WANI scheme, such as:

- (i) It is expected that with Public Wi-Fi Broadband, the user experience and Quality of Service for Broadband will be improved significantly;
- (ii) This service will be especially useful in rural areas where Public Wi-Fi Hotspots are also being created under BharatNet;
- (iii) Proliferation of Public Wi-Fi Hotspots will lead to increased employment for

² <https://dot.gov.in/sites/default/files/202-12-11%20Brief%20PM%20WANI%200-0.pdf?download=1>

³ <https://pib.gov.in/PressReleasePage.aspx?PRID=1679342>

⁴ <https://pmwani.gov.in/wani>

small and micro entrepreneurs and provide them with an additional source of income;

- (iv) The telecom and internet service providers will also benefit due to the sale of bandwidth to Public Data Office (PDOs);
- (v) Made in India Wi-Fi access points are envisaged to be encouraged for use in PM-WANI.

3.4 In November 2022, the DoT in its communication to TRAI, *inter alia*, stated that the proliferation is quite limited and much below the targets. It was cited that one of the reasons for low proliferation of PM-WANI is the extremely high cost of backhaul internet connectivity charged by TSPs and ISPs from PDOs.

3.5 The DoT further added that in the name of commercial agreement, many times TSPs/ ISPs insist on PDOs to connect the public Wi-Fi Access Points using expensive Internet Leased Line instead of the regular FTTH Broadband connection.

3.6 The NDCP, 2018 under the 'Connect India' mission had set the goal to enable deployment of 5 million public Wi-Fi hotspots by 2020 and 10 million by December 2022⁵ for creating a robust digital communication infrastructure.

3.7 Further, for Digital India 2030 mobile and broadband policy objectives, the Bharat 6G Vision⁶ sets the goal of 10 million public Wi-Fi hotspots by 2022 and 50 million by 2030.

3.8 As on 22.07.2024, there are 2,07,642 deployed PM-WANI Wi-Fi hotspots in the country and 199 PDOAs and 111 app providers⁷. Presently, PM-WANI hotspot numbers are much below the targeted numbers, as envisaged in the NDCP, 2018 document and in the Bharat 6G vision document. Thus, effective proliferation of PM-WANI hotspots is essential to achieve the outlined targets.

3.9 A comparison of 100 Mbps of Internet leased line tariff vis-à-vis 100 Mbps of FTTH

⁵ <https://dot.gov.in/sites/default/files/EnglishPolicy-NDCP.pdf>

⁶ <https://bharat6galliance.com/bharat6G//public/assets/OurOfferings/Bharat-6G-Vision-Statement-copy%202021.pdf>

⁷ <https://pmwani.gov.in/wani>

broadband connection shows that the annual tariffs for Internet leased line are 40 to 80 times higher than a retail connection. The Authority is of the view that PDOs, specifically the small scale PDOs viz. small establishment, local shops/ retailers, chaiwalas, kiranawalas, storekeepers etc., generally having low revenue potential, neither need an ILL connection nor can they afford high backhaul rates which are applicable for large commercial entities. This elevated cost of broadband connectivity may act as an impediment for PDOs, subsequently impacting the proliferation of PM-WANI.

3.10 Therefore, considering economy wide potential benefits of the PM-WANI scheme, the goals and objectives of the Government and the limited revenue potential of small scale PDOs, the Authority is of the view that it is necessary to rationalize the cost of broadband connectivity to PDOs to pace up the proliferation of PM-WANI scheme.

4. The comments and counter comments on the draft Telecommunication Tariff (Seventieth Amendment) Order, 2024 were invited from the stakeholders by 6th September, 2024 and 13th September, 2024 respectively. In response to the same, comments from 14 stakeholders and counter comments from 7 stakeholders were received.

5. Many stakeholders have favoured this move of the Authority stating that this order would give a big boost to the PM-WANI Yojana both in terms of growth of number of PDOs and internet users. Further, they have stated that this would enhance consumer protection, help remove a major roadblock and enable PDOs & PDOAs to offer affordable internet services.

6. While advocating for the proposal of the Authority, it has been stated by some stakeholders that the rationalisation of tariffs will directly benefit the public, especially in areas where access to quality fixed broadband is either limited or unavailable. They also mentioned that making public Wi-Fi more affordable, can significantly help expand internet access to the underserved communities, thereby bridging the digital divide.

7. Some stakeholders have argued that consumer tariffs are different from B2B tariffs. They have also stated that the consumer tariffs are under forbearance and need

to be reported to TRAI and published on the website whereas, B2B tariffs, which also include the tariffs for backhaul, are governed through contracts and are specific to the customers and are not the same for each customer, nor are they required to be reported or published on the website. These stakeholders have also stated that backhaul service is not sold to the consumers but rather to the telecom/internet service provider. They argued that PDOA-PDO individually and/or jointly fall in the category of service providers, who are allowed to provide such telecommunication services through special dispensation enabling them to carry out such activities without a licence under the registration. It was further stated by them that any commercial customer/backhaul will have a completely different usage pattern in which the overall consumption will be much higher than that of the retail customers. They argued that the commercial tariffs are different from the retail tariffs across all sectors. The most prominent example of this is in the energy sector and day to day examples can be seen in electricity tariffs, cooking gas cylinder rates among others. They further argued that TRAI in the past used to have differential and higher commercial rates for broadcasting services for commercial activities compared to those for home DTH customers. It is, therefore, pivotal to distinguish between these two services as they cater to different needs and are optimised for different types of usage. Using them interchangeably and applying regulatory price interventions in an interchanged scenario could create inefficiencies and potentially impact the quality of service for both PDOs and end users, while also causing regulatory distortion.

8. It is also important to note that, as mentioned at para 3.5 above, the DoT vide its letter has stated that many times, in the name of commercial agreement, TSPs/ ISPs insist on PDOs to connect public Wi-Fi Access Points using expensive ILL instead of regular FTTH Broadband connection.

9. In a recent development, the DoT, through its order dated 16th September, 2024 has amended and introduced following clauses to the existing PM-WANI framework:

Present Clause	Amendment/Addition
Annexure B: Clause (a) (4) (under functions of PDO):	Annexure B: Clause (a) (4) (under functions of PDO) of PM WANI Guidelines is modified as follows:

<p>"As per the WANI framework, PDOs will have commercial agreement with licensed Telecom Service Providers (TSP) or Internet Service Providers (ISP) for internet connectivity and with PDOA for Aggregation, Authorization, Accounting, and other related functions."</p>	<p>"As per the WANI framework, PDOs will avail internet connectivity from licensed Telecom Service Providers (TSP) or Internet Service Providers (ISP) and will have an agreement with PDOA for Aggregation, Authorization, Accounting, and other related functions."</p>
<p>NA</p>	<p>New Clause (a) (5): Annexure B: (Under functions of PDO) is inserted as follows: 5. A PDO is allowed to take internet connectivity at a single location for ex: mall, market, shopping complex, bus station etc. and can network up to 100 Access Points to create a single Wi-Fi hotspot.</p>

10. Pursuant to the DoT's amendment order dated 16th September, 2024, the requirement for Public Data Offices (PDOs) to enter into a commercial agreement with licensed Telecom Service Providers (TSPs) has been removed. Additionally, PDOs are now permitted to network up to 100 access points to establish a single Wi-Fi hotspot.

11. In view of the above amendment by the DoT and the comments/ counter comments received from stakeholders, the Authority recognizes the need to rationalize broadband tariffs under the PM-WANI (Wi-Fi Access Network Interface) scheme. The Authority feels that the tariff framework should be such that it promotes the proliferation of PM-WANI by safeguarding the interests of Public Data Offices (PDOs), particularly smaller PDOs, ensuring their sustainability and viability within the ecosystem. Also, since the PDOs function as resellers of bandwidth, the tariff structure must also protect the interests of service providers by ensuring that they are fairly compensated for the additional costs incurred in supplying bandwidth to PDOs.

12. Accordingly, the Authority has proposed a revised draft to address these considerations with the view to create a fair and balanced tariff structure that fosters the growth of the PM-WANI ecosystem while maintaining equality among all stakeholders involved.

13. To rationalize broadband connectivity costs for PDOs, it is essential to compare

the average monthly data usage per PM-WANI hotspot with the data usage of an average subscriber/FTTH connection provided by service providers. For that purpose, the data usage of major service providers⁸ and PDOAs have been examined. The average data usage is presented in the table below:

Average data usage per FTTH connection per month (in GB) ⁹	Average data usage per PM WANI hotspot per month (in GB)
200 to 500	Approx. 200

14. The data in the table above presents the average data usage per FTTH connection and the average data usage per PM-WANI hotspot. As can be seen, the average data usage per PM-WANI hotspot is generally lower than that of a FTTH connection, which also strengthens the DoT's view of low proliferation of PM-WANI. This further supports the argument that the internet connectivity cost charged by service providers from PDOs, has to be rationalized for increasing the data usage for the PM WANI hotspot.

15. It is pertinent to note that a service provider is currently offering FTTH broadband plans specifically for the PM-WANI scheme. To gain deeper insights, a comparison was done between the standard 50 Mbps and 100 Mbps FTTH plans and the corresponding PM-WANI specialized plans. The comparison shows that the tariff for the PM-WANI plan is approximately 2 times higher than that of the standard FTTH plans. Additionally, the PM-WANI plan includes the benefit of IPv6 compatibility, which is not offered as a standard feature in the retail FTTH plans. Subscribers of the FTTH plans are required to pay an additional annual fee of ₹2,500 (approximately ₹200 per month) to avail of IPv6 compatibility. When this additional cost is factored into the FTTH tariffs, the PM-WANI tariff comes out to be approximately 1.50- 1.70 times higher than the standard FTTH plan. The details are given as below: -

⁸ Covering around 80% market share in terms of subscribers

⁹ Based on data reported by service providers

Plan details	Price	Ratio
100 mbps plans		
PM-WANI Premium Plan 100Mbps-2Mbps 2.5TB ipv6	1532.82	
FUP100Mbps-2Mbps 2500GB	706.82	2.17
50 mbps plans		
PM-WANI Basic Plan 50Mbps-2Mbps 2TB ipv6	1178.82	
FUP50Mbps-2Mbps 2TB	588.82	2.00

16. It is important to highlight that Public Data Offices (PDOs) operate as bandwidth resellers, selling the bandwidth to multiple subscribers, positioning themselves as potential competitors to service providers. Given this context, when a PDO requests a retail internet or FTTH connection from a service provider, it is both logical and rational that such a connection should be offered at a price higher than what is typically charged to a regular retail customer.

17. The Authority is of the view that the pricing for PM-WANI tariff should be such that it safeguards the interests of PDOs and also that of the service providers thereby enabling PDOs to operate viably and contribute to the digital ecosystem and, on the other hand, ensuring that the operators are also suitably compensated.

18. As can be seen from the data above, for retail FTTH operations, the average data usage per connection is less than 500 GB per month, enabling service providers to distribute high volumes of data consumption across multiple individual users. Considering that the FUP limit is up to 3.5 TB, such a distribution may generate revenue from about 7 connections or so for the same network capacity. However, the Authority is of the view that when a single PDO consumes large volumes of data, service providers derive revenue from only one PDO as a customer, effectively concentrating data consumption. Hence, the Authority feels that the service providers are required to be adequately compensated for the higher cost implications of supporting such usage.

19. The Authority has also taken note of the fact that one of the service providers is offering retails tariff for the PM-WANI plan, which is approximately upto two times higher than that of its standard FTTH broadband plan alongwith the same benefits.

20. In view of the above, the Authority is of the opinion that the Fiber-to-the-Home (FTTH) tariffs offered to Public Data Offices (PDOs) under the PM-WANI framework should not be more than twice the tariff applicable for retail broadband FTTH connection under a particular capacity. This allows the service providers to charge a price upto twice the prevailing FTTH tariffs from a PDO. This pricing structure reflects the distinct roles of PDOs and the service providers. Such pricing recognizes that PDOs act as resellers of bandwidth and have the potential to generate revenue from multiple customers. Simultaneously, it will also incentivize and compensate service providers to expand their support for PDOs, which could, in turn, benefit PDOs and contribute to the effective proliferation of PM-WANI ecosystem.

21. Considering the above facts, the Authority proposes that the tariff charged by service providers to Public Data Offices (PDOs) for providing retail broadband connectivity under the PM-WANI scheme, should be structured as follows:

$$T_P \leq 2 * T_R ,$$

Where,

“T_R” is the tariff applicable for retail broadband (FTTH) connections for a particular capacity by the service provider, and

“T_P” is the tariff for broadband connectivity (FTTH) provided to Public Data Offices (PDOs) for the same capacity offered by the service provider.

22. It is pertinent to clarify that the scope of this regulation is expressly limited to the tariffs for FTTH broadband connectivity provided by service providers to PDOs under the PM-WANI scheme and does not extend to the tariffs of any other type of internet connectivity sought by the PDOs.

23. Based on the experience gained, the Authority may review the proposed arrangement for PM-WANI scheme, after a period of two years.