

Dear Mr. Kumar,

We express our appreciation to the Authority for this opportunity to present our views on the Pre-Consultation Paper on the “*Review of Tariff for Domestic Leased Circuits*” (DLCs).

We are of the considered view that the existing dynamics of the DLC market do not necessitate any fresh regulatory intervention.

The DLC ecosystem in India today is characterised by healthy competition, with a broad array of service providers including large-scale incumbents as well as circle-based and specialized players— offering services. Tariff discovery is driven by market mechanisms, taking into account bandwidth demand, service quality, distance, RoW for last mile, Service Level Agreements (SLAs) and other commercial factors.

As reiterated by the Authority in past consultations, regulation is warranted only in instances where:

- Market failure is evident
- There is an absence of effective competition
- Anti-competitive practices are detected
- Consumer interest is demonstrably at risk

None of these preconditions currently apply to the DLC segment. On the contrary, the continued presence of multiple providers across regions and price points is indicative of a well-functioning market. Introducing or intensifying regulatory controls or creating uncertainty through detailed consultation paper, could risk distorting efficient market outcomes and may inadvertently dampen investments in digital infrastructure.

Moreover, the relevance of traditional DLC technology is gradually diminishing. Enterprise customers are increasingly transitioning towards next-generation solutions like IP-VPNs, Ethernet-based networks, and cloud-native architectures—driven by scalability, efficiency, and flexibility. Regulatory fixation of tariffs on legacy offerings may inadvertently hinder the adoption of these more advanced alternatives.

It is also important to recognize the escalating cost burdens on service providers. One of the most significant challenges is the inconsistent implementation of the Right of Way (RoW) Rules across States and urban local bodies. Several authorities continue to levy high restoration and approval charges, substantially inflating network deployment costs. In addition, the rising cost of fibre—despite being outside the scope of tariff regulation—has a direct impact on infrastructure rollout and pricing sustainability.

In view of the above, such challenges on input factors like RoW, high levies require attention of the Authority and Government instead of output factor i.e. tariffs.

Given these cost-side constraints, any move towards review of tariff ceilings must be approached with caution.

In conclusion,

- We submit that no regulatory intervention is required at this time in light of the robust and competitive nature of the market, increasing cost pressures, challenges on input factors and absence of any market failure.
- We respectfully urge the Authority to not initiate any further consultation on the DLC tariffs.

Thanking you with best regards

Ambika

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