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To,

Advisor (F&EA)  
Telecom Regulatory Authority of India,  
Tower - F, World Trade Centre,  
Nauroji Nagar,  
New Delhi -110029

No.: BSNLCO-RGLN/4/2021-REGLN dated 16-05-2025

**Subject:** Pre-Consultation on “Review of Tariff for Domestic Leased Circuits (DLCs)”- regarding.

In reference to the Pre-Consultation on “Review of Tariff for Domestic Leased Circuits (DLCs)” issued by TRAI on dated 29-04-2025. Pointwise comments with respect to information sought by TRAI is as follows:

S. No.	Comments sought by TRAI	Remarks
a)	Development trends and current status of the DLC market in the country.	Enterprise customers are taking Domestic Leased Line (DLL) circuits. As it is a dedicated optical fiber connectivity due to which CAPEX and OPEX burden on telecom operators significantly increases. This is why domestic leased lines especially for Enterprise use — are more expensive to provide and maintain in comparison to shared broadband or mobile data services.
b)	Effectiveness of the existing tariff framework for Domestic Leased Circuits (DLCs).	The existing tariff framework for Domestic Leased Circuits (DLCs) issued by BSNL based on TRAI TTO 57 <sup>th</sup> , 58 <sup>th</sup> amendment is fully effective as per current market dynamics and customer requirements.
c)	Prevailing tariff structures for DLCs offered by service providers across different technologies, bandwidths and distances.	Prevailing DLC tariff issued by BSNL is as per TRAI 38 <sup>th</sup> Amendment dated 02.06.2005, 57 <sup>th</sup> Amendment dated 14.07.2014 and 58 <sup>th</sup> Amendment dated 01.08.2014 to Telecom Tariff Order 1999 (TTO)
d)	Impact of new technological advancements on the evolving DLC ecosystem and associated tariff considerations.	The transition from traditional MLLN (Managed Leased Line Network) circuits to more modern technologies like CPAN (Carrier Packet Access Network) and MAAN (Metro Aggregation Access Network) is a key reason for the rising cost of providing Domestic Leased Line Circuits (DLCs)

e)	Disparities in tariffs across different routes and geographical regions.	<p>In difficult terrain areas — such as hilly regions, forests, or remote rural locations — the CAPEX involved in laying and maintaining Domestic Leased Line (DLL) circuits increases significantly due to:</p> <ul style="list-style-type: none"> <li>(i) Challenging right-of-way (RoW) access</li> <li>(ii) Longer trenching or aerial fiber spans</li> <li>(iv) Unfavorable weather conditions</li> <li>(v) Lack of nearby network points of presence (PoPs)</li> </ul> <p>So to recover costs and maintain service sustainability, higher tariffs or surcharge mechanisms for such regions are considered to be taken from customers.</p>
f)	Approaches and methodologies adopted by service providers for determining tariffs of DLCs (presently under forbearance).	It is suggested that Domestic Leased Line Circuits (DLCs) below 2 Mbps may be discontinued as minimum requirements of customer is 2 Mbps and above, especially when weighed against their high CAPEX requirements and diminishing relevance in today's high-bandwidth environment. So DLCs tariff for 2 Mbps and above may be offered only.
g)	Evolving customer requirements and expectations in relation to DLC services.	In domestic leased circuit (DLC) services, customer expectations around SLAs (Service Level Agreements) and diversity (path, route, and service redundancy) have become significantly more stringent. This has led to a notable increase in the cost of providing these services, especially in a competitive and reliability-sensitive environment like finance, government and critical infrastructure.
h)	Challenges faced by small service providers, customers or new entrants in the current DLC market.	No comments.
i)	Global best practices in DLC tariff frameworks and their potential relevance for the Indian context.	<ul style="list-style-type: none"> <li>(i) Cost-Based Pricing with Regulatory Oversight - Applying cost-based benchmarking, especially for government or rural connectivity programs, can ensure fairness.</li> <li>(ii) Wholesale vs Retail Pricing Segregation - Introducing mandatory wholesale access at regulated rates for DLLs could promote competition and reduce enterprise costs.</li> <li>(iii) Distance and Bandwidth-Based Tiering - A standardized, transparent framework with published distance-bandwidth pricing tables can help SMEs plan connectivity better.</li> </ul>

Digitally signed by

Nishi Bhalla

Date: 19-05-2025

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AGM (Regulation-II)

BSNL CO, New Delhi