



---

CG/TRAI-CONSULTATION PAPER No/ 1/2026

Date – 28/01/2026

### **Comments by Consumer Guild on TRAI Consultation Paper on Review of Tariff for Domestic Leased Circuits (DLCs)**

Consumer Guild welcomes TRAI's initiative to review the tariff framework for Domestic Leased Circuits (DLCs), last updated in 2014. DLCs are critical infrastructure supporting enterprise connectivity, banking, healthcare, education, e-governance, and ISP services, which indirectly impact retail consumers through better digital services and economic growth. High DLC tariffs, especially in low-competition and remote areas, hinder affordability and digital inclusion. We advocate for a revised framework that promotes competition, transparency, technological neutrality, and affordability, particularly for smaller enterprises and rural regions.

#### **Specific Comments on Key Questions:**

**Q1:** Permitting ISPs to provide DLCs would significantly enhance competition, especially in Tier-2/3 cities and rural areas, leading to lower tariffs and improved service options. This would benefit smaller ISPs (Category B & C) and end-consumers through reduced costs passed on in broadband and enterprise services.

**Q2:** High DLC tariffs disproportionately burden smaller ISPs without their own infrastructure, increasing their operational costs and limiting affordable internet rollout in underserved areas. Regulation should focus on transparent, non-discriminatory pricing for local leads and trunk segments to support smaller operators.

**Q3:** MPLS-VPN DLCs should remain under forbearance if the market is sufficiently competitive, as regulation could stifle innovation and flexibility in managed services. However, monitoring is needed to prevent excessive pricing in low-competition segments.

**Q5-Q7:** Technological advancements (DWDM, SD-WAN, Ethernet over Fibre) have reduced provisioning costs and improved efficiency. TRAI should adopt a technology-neutral tariff model focused on bandwidth, SLAs (uptime, latency, packet loss), and service commitments rather than specific technologies, to future-proof the framework and encourage adoption of cost-effective solutions.



**Q10-Q11:** Yes, TRAI must mandate quarterly reporting of discounts, bundling details, and actual tariffs charged. Standardized tariff disclosure formats should be required for all providers to ensure transparency and prevent discriminatory practices that harm smaller users.

**Q22:** Distance-based slabs from 2014 are outdated due to fiber deployment and flat-cost structures in modern networks. TRAI should move towards flatter or reduced slabs, or bandwidth-based pricing, to reflect current realities and promote affordability over long distances.

**Q23-Q24:** Separate, lower ceiling tariffs are essential for remote and hilly areas (defined by DoT's aspirational districts or low tele density regions). Affordability can be ensured through targeted incentives, cross-subsidization mechanisms, or viability gap funding without distorting markets, to support digital inclusion and prevent exclusion of underserved regions.

**Q25:** Additional issues include mandating non-discriminatory access for all licensed providers, periodic review of ceilings (every 2-3 years), and alignment with broader goals of Digital India, such as supporting 5G backhaul and rural broadband.

- Consumer Guild urges TRAI to prioritize consumer welfare by lowering ceiling tariffs where needed, enhancing competition, and ensuring transparency, Standardize quality assurances, This will foster a more inclusive digital ecosystem

Thank you for the opportunity to comment.

Sincerely,

**Abhishek Srivastava,**

**Chairman Consumer Guild**