



**POWERGRID Teleservices Limited – PowerTel Response to TRAI Consultation Paper  
on Review of Tariff for Domestic Leased Circuits (DLCs)**

Q1: What is expected to be the likely impact on competition and tariffs in the DLC sector, if the ISPs are permitted to provide DLCs in the future? Please provide your response with justification.

**PowerTel Response:** No Comments from PowerTel

Q2: What is the likely impact of tariffs for DLC on the bandwidth charges (including the transmission costs) or any other costs incurred by ISP operators, especially for ISP B & C operators who do not have their own transmission infrastructure? Further, what are the specific elements of DLC tariff which can be addressed in the regulation to make it more relevant for ISP B & C business? Please provide your response with justification.

**PowerTel Response:** Nil comments

Q3: Should the MPLS-VPN DLCs be brought under the tariff regulation framework? Please provide your response with justification.

**PowerTel Response:** Considering 47% of DLC being served as MPLS-VPN, it is prudent that such type of service may also be under tariff regulation framework to maintain uniformity of rates. However, considering various QoS based services being provided under MPLS-VPN, hence, QoS based tariff may be adopted.

Q4: What are the key differences in cost structure and service delivery between traditional P2P-DLCs and MPLS-VPNs that should be reflected in tariff regulation? Please provide your response with justification.

**PowerTel Response:** No comments from PowerTel

Q5: What has been the impact of deployment of DWDM, SD-WAN and Ethernet over Fibre on provisioning of DLCs, in terms of operations, costs and tariffs? Should the regulation incorporate these technological changes in the ceiling tariff framework? Please provide your response with justification.

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Q6: Are there any other technological changes apart from the ones mentioned in above paragraphs in provisioning of DLCs in India? If yes, what has been the impact of deployment of such technologies on provisioning of DLCs, in terms of operations, costs and tariffs? Should the regulation incorporate these technological changes in the ceiling tariff framework? Please provide your response with justification.

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Q7: As an alternative to Q5 & Q6, should the Authority consider technology-neutral tariff models, focussing on bandwidth and service commitments rather than provisioning technologies? If yes, what should be the criteria for the same? Please provide your response with justification.

**PowerTel Response:** No comments from PowerTel

Q8: What are the various service commitments (such as bandwidth, SLA requirements such as



uptime, latency, packet loss, response time etc.) bundled as part of managed DLC service, for both P2P & VPN based DLC? How are the service commitments offered as part of managed DLC services linked with the tariffs? Please provide your response with justification.

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Q9: Should the proposed regulation include staggered tariffs in line with service commitments, possibly further staggered for different regions, for both VPN & P2P based DLC? If yes, what are the service commitments, mentioned as reply to Q8, which should be considered for tariff regulation?

**PowerTel Response:** Nil response

Q10: What reporting mechanisms should be mandated to ensure transparency in discounts and service bundling for DLCs? Please provide your response with justification.

**PowerTel Response:** No comments from PowerTel

Q11: Should the Authority mandate standardized tariff disclosure formats for all DLC service providers? Please provide your response with justification.

**PowerTel Response:** No comments from PowerTel

Q12: Should TRAI use the same cost methodology i.e. BU-FAC for computing cost-based ceiling tariffs for P2P DLCs as was used in 2014? Please provide your response with justification.

**PowerTel Response:** No comments from PowerTel

Q13: In case response to the above question is affirmative, what values of the following items should be used for estimation of ceiling tariffs for DLCs:

- i. Return of Capital Employed (ROCE)
- ii. Useful lives of transmission equipment and Optical Fibre Cable separately
- iii. Average no. of fibre pairs lit in OFC in trunk segment and local lead segment separately
- iv. Utilization factor of OFC system in trunk segment and local lead segment separately
- v. % of use for the transmission equipments used at local lead junction points and in trunk segment for DLCs
- vi. If the repeaters are still being used in the trunk segment, what is the average distance between two repeater sites?
- vii. What is the factor of use (no. of circuits in underlying OFC system) to be taken into consideration at local lead and trunk segment for computation of ceiling tariffs?

**PowerTel Response:** Nil response

Q14: As an alternative to the BU-FAC methodology, or in addition to it, should LRIC or any other methodology be considered for computing ceiling tariffs for P2P DLCs? Please support your view with detailed justification along with data and assumptions

**PowerTel Response:** No comments from PowerTel

Q15: What should the bandwidth capacities be, including the minimum and maximum bandwidth capacity, of P2P DLC for which ceiling tariffs need to be prescribed? In case of



bandwidth capacities not regulated in the 2014 TTO, what should be the concomitant value of the relevant factors mentioned at Q13? Please provide your response with justification.

**PowerTel Response:** Nil Response

Q16: Should the Authority consider the cost methodologies used in other countries for determining tariffs for P2P-DLCs? If so, which methodologies would be appropriate for the present exercise? Please provide your response with justification along with data and assumptions.

**PowerTel Response:** No comments from PowerTel

Q17: Is there a need for prescribing separate ceiling tariffs for local lead and trunk segment? Should the Authority adopt different cost methodology for local lead and trunk segment for provisioning of DLCs? If yes, please provide your response with justification.

**PowerTel Response:** Nil Response

Q18: Should the Authority adopt BU-FAC, LRIC or any other methodology for computing ceiling tariffs for VPN DLCs? Please support your view with a detailed justification along with data and assumptions.

**PowerTel Response:** Nil response from PowerTel. However, may be as per jurisdictions of authority.

Q19: What should the bandwidth capacities, including the minimum and maximum bandwidth capacity, of VPN DLC for which ceiling tariffs need to be prescribed? Please provide your response with justification.

**PowerTel Response:** No comments from PowerTel

Q20: Should the Authority consider the cost methodologies used in other countries for determining tariffs for VPN-DLCs? If so, which methodologies would be appropriate for the present exercise? Please provide your response with justification along with data and assumptions.

**PowerTel Response:** Nil Response

Q21: Should the spectrum charges recommended for a point-to-point link of 28 MHz paired bandwidth in the 6 GHz(lower) band, be taken as reference for DLC ceiling tariff? If yes, what could be the approximate order of multiple between the backhaul link charges and DLC ceiling tariff? Should the reference be considered for local lead or trunk segment or on overall basis? Please provide your response with justification.

**PowerTel Response:** No comments from PowerTel

Q22: Is the distance-based pricing, based on distance slabs contained in the 2014 TTO (57th Amendment), still relevant for prescribing ceiling tariffs for P2P DLCs? Should the Authority consider new distance slabs, separately for both the local lead and trunk segments, for prescribing ceiling tariffs for P2P DLC? Please provide your response with justification.

**PowerTel Response:** No response from PowerTel. However, may be as per discretion of authority.

Q23: Is there a need for prescribing separate ceiling tariffs for remote and hilly areas? What



criteria should be used to define such regions? Please provide your response with justification.

**PowerTel Response:** No, there should not be separate ceiling tariffs for remote and hilly areas to ensure uniformity.

Q24: How can the Authority ensure affordability in low-competition areas, such as remote and hilly areas, without distorting market incentives? Please provide your response with justification.

**PowerTel Response:**

- Suitable mechanism may be developed to subsidized Internet services charges for end customers by GoI
- License fee & GST may be waived off for TSPs / ISPs for providing services in such hilly area

Q25: Are there any other relevant issues related to revision of tariff framework for DLCs which the Authority should keep in mind, while carrying out the present review exercise, to further the broad objectives as espoused in this Consultation Paper? Please provide full details and justification for consideration of the same.

**PowerTel Response:** PPP-MII conditions being enforced by GoI to facilitate Indian manufacturer. It is proposed that those TSPs / ISPs adhering to the PPP-MII condition may be given incentive in form of reduced license fee to provide a boost to Indian manufacturer in Telecom sector.