



02nd March 2026

Shri D Manoj,
Pr. Advisor (F&EA)
Telecom Regulatory Authority of India
4th, 5th, 6th & 7th Floor, Block-F
World Trade Centre, Nauroji Nagar
New Delhi – 110029

Subject: Response to consultation paper on Review of Tariff for Domestic Leased Circuits (DLCs).

Dear Sir,

This is in reference to the Consultation Paper issued by the Authority on 23rd January 2026 regarding “Review of Tariff for Domestic Leased Circuits (DLCs)”.

In this regard, we, Tata Teleservices Limited (TTSL) and Tata Teleservices (Maharashtra) Limited [together called “TTL”] hereby enclose our response to the questions raised in your above-mentioned Consultation Paper.

We believe TTL response will be given due consideration.

Thanking you and assuring you of our best attention always.

Thank you,

Yours sincerely

Mukesh Dhingra
General Manager – Corporate Regulatory Affairs
Tata Teleservices Limited
And
Authorized Signatory
For Tata Teleservices (Maharashtra) Limited



*“Consultation Paper on Review
of Tariff for Domestic Leased Circuits (DLCs)”
Comments by Tata Teleservices Limited & Tata Teleservices (Maharashtra) Limited*

At the outset, Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited [together called “TTL’] express our sincere gratitude to Telecom Regulatory Authority of India (TRAI) for releasing the Consultation Paper on the “**Consultation Paper on Review of Tariff for Domestic Leased Circuits (DLCs)**,” for the stake holders’ comments.

We, TTL, would like to submit our response to the issues and concerns mentioned in the Consultation Paper as follows:

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.

TTL Response: Multiple licenses are existent to facilitate different licensees for offering and competing in the different telecom product offerings. Considering these different licenses, license conditions like entry fee, minimum equity, minimum net worth, etc. are designed by the licensor. In the current license conditions, DLC can be offered by Access and NLD licensees. As covered in the consultation, DLC product is currently being offered effectively in the market. Service providers are bringing technology advancements and overlay solutions so that customers enjoy new-age offerings. Therefore, if DLC offering is allowed for service providers having ISP authorization without any completing entry fee, then it may not be the right approach for bringing competition to the market. If any changes in the license condition are proposed, it should be considered for cases where the current offering lacks competition or quality in the product offering. Additionally, NLD operators have limited offerings, like voice and data, where voice revenues are stagnant or have reduced with slashed rates; therefore, offering DLC for ISPs may act as a deterrent for NLDO. Therefore, to bring a level playing field, ISPs can be allowed with due fees as applicable for NLDO.

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.

TTL response: The very purpose of different licenses was to give flexibility to operators to choose different licenses, which makes business case viability. On the basis of business viability, one entity must choose an ISP category B or C license. Any additional flexibility may act as a deterrent for existing licensees to survive in the market due to so many smaller ISPs getting free access to the DLC product category and that too riding on others' media. Therefore, it is to be reviewed by the Authority to review and take measures that may not disrupt the existing marketplace.

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

TTL response: MPLS-VPN is an established product in the market where enough competition is there in the segment, and existing licensees are able to meet the product requirements in terms of technology and quality of service. Therefore, no intervention of a regulator is envisaged at this stage.

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.

TTL Response: Point-to-point leased circuits are dedicated links and generally charged based on the distance and area of operation. There are different costs associated with underlying transmission connectivity; therefore, cost structure varies based on distance. As far as MPLS VPN is concerned, it is shared connectivity and offers more flexible routing and availability SLA. The number of locations that are connected over MPLS VPN used logical paths over a shared medium. It also enables TSP to offer overlay with managed SD-WAN. In the current market scenario, there is no need to have any tariff control via any regulation.

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.

&

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.

&

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.

TTL Response: Current offerings of DLC based on MPLS or SD-WAN are dependent on the number of locations and whether such offerings are managed or not. Most such offerings are based on the number of locations, feature requirements, cost of hardware, security features, and SLA. The cost of the product is therefore based on the individual solution extended. Negotiation-based cost generally prevails instead of a fixed pricing model. Therefore, it is left to market forces to drive the cost of delivery, as each location may have different challenges in giving connectivity and capex investment.

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.

&

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?

TTL Response: As covered in the response above, these deliveries to enterprises are based on negotiated cost and not on fixed distance-based offerings. Further SLA and the cost of delivering along with managed services are not related to an absolute number in terms of pricing. Therefore, it is submitted that no tariff should be driven through regulation for established products.

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

&

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

TTL Response: NA

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.

&

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) Telecom Regulatory Authority of India 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 equipment's 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?

&

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

&

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.

&

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.

&

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.

TTL Response: Leased circuits are solution-based for enterprises with a number of locations, SLAs, managed/unmanaged, etc. This cannot be directly translated to a fixed pricing model. Further, based on business viability or customer requirements, additional capacity/capex buildup is also made to connect multiple locations. Hardware suggested by the customer can also be different with different costs; therefore, defining a tariff for such cases will likely discourage competition in the market, where pricing is already being determined by the market.

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.

&

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.

&

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.

TTL Response: It is not suggested to have any ceiling price for VPN DLC.

Q21: Should the spectrum charges recommend 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.

TTL Response: NA

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.

TTL Response: No regulatory intervention is required to fix the ceiling pricing.

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 59 with justification.

&

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.

TTL Response: Investment in commissioning of infrastructure in hilly or difficult terrain requires substantial investment. Any enterprise looking for such products in that terrain should be willing to negotiate the cost based on the location, including those in hilly or difficult terrain. Therefore, it is suggested not to impose any ceiling on the tariff for such an offering.

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.

TTL Response: We appreciate TRAI's concern to widen the scope of the service for additional players, but it may prove discouraging for existing players, who have invested a lot of time and capex in creating infrastructure. Any entry for new players shall be allowed with equal cost of entry and related cost. GST like input credit on License fee (on payout to Telco for Fiber/BW charges etc, over which Telco has already paid the License fee to DOT) can be extended. Lower cost will enable service providers to support TRAI's objective of lowering DLC tariff in market.