VIL/P&O/TRAI/2026/ 020
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Kind Attn: Shri D Manoj

Subject: Comments on the Consultation Paper 'Review of Tariff for Domestic Leased Circuits (DLCs)" dated January 23, 2026.

Dear Sir,

This is in reference to the TRAI's Consultation Paper 'Review of Tariff for Domestic Leased Circuits (DLCs)' dated January 23rd, 2026.

In this regard, kindly find enclosed herewith comments from Vodafone Idea Limited on the above-said consultation paper.

We hope our comments will merit the Authority's kind consideration please.

Thanking you,

Yours sincerely,

For **Vodafone Idea Limited**

Ajay Mehta
VP - TRAI Policy & Ops; Strategic Projects

Enclosed: As stated above

VIL Comments to the TRAI's Consultation Paper on 'Review of Tariff for Domestic Leased Circuits (DLCs)' dated 23.01.2026

At the outset, we are thankful to the Authority for giving us this opportunity to provide our comments to the TRAI Consultation Paper on "Review of Tariff for Domestic Leased Circuits (DLCs), issued on 23.01.2026.

In this regard, we would like to submit our comments as follows, for Authority's kind consideration:

1. **Growth in DLC market**

   a. The DLC market in India is currently expanding and is architecturally competitive. This growth and expansion are fueled by the expansion of data centers, cloud services, and the proliferation of digital applications.

   b. Key sectors such as Hyperscalers, Cloud Providers, BFSI, IT/ITeS and E-commerce are significant consumers of DLC services, contributing to the overall market demand. The demand for DLC services continues to rise due to below reasons:

      i. Digital transformation of Enterprise
      ii. Adoption of cloud and hybrid networking
      iii. Growth in BFSI, IT/ITeS and E-commerce sectors

   c. In view of this, the bandwidth requirements have considerably increased, which implies a stable and expanding market.

2. **No evidence of market failure**

   a. Generally, a market failure happens when the competitive forces alone do not lead to efficient outcomes, fair pricing, or adequate consumer protection. Only in such a scenario, the Regulators typically intervene, when there is clear evidence of existence of any such market failure.

b. However, the DLC market has shown no such evidences of market failure, since there is no indication of any predatory pricing, anti-competitive practices, significant market dominance misuse or price rigidity thereby impacting consumers.

c. There is adequate competition in the market, with various pan-India service providers as well as LSA specific service providers serving this niche market, through competitive and very high-SLA based offerings.

d. Despite significant increase in certain input factor for providing DLC i.e. last mile RoW, optics cost per Mbps, fibre laying, maintenance, network reach, capex etc. the pricing of DLC has seen significant reduction as compared to the tariff ceilings prescribed by TRAI. This is due to prevalence of adequate competition and thriving market forces.

e. Hence, no regulatory intervention is warranted for the DLC market, as market forces are working efficiently and there is no evidence of a market failure.

3. **Enterprise consumer influence as a Buyer**

a. The DLC services are provided by the TSPs and procured by the Enterprise consumers through negotiated enterprise contracts. These contracts are typically customized and tailormade based on the bandwidth, SLA, redundancy and geographical factors.

b. Based on the scale of demand and multi-location requirements of enterprise consumers, they become the negotiators instead of price-takers. The negotiating strength of these enterprise consumers ensures competitive pricing and service discipline without any need for regulatory intervention. Such bilateral, negotiated arrangements are completely different from the tariffs offered to the individual consumers.

c. Hence, these tariffs should not be regulated, as enterprise consumers are very well placed to take advantage of the price elasticity.

4. **Highly competitive market**

a. The existence of the multiple players in the DLC segment, makes this market self-regulated through competitive discipline, across technologies and geographies.

b. Multiple players ensure price discovery through market forces, drives service innovation, improved SLAs, and encourages geographic and network expansion.

c. **Given the highly competitive dynamics prevailing in the DLC segment, regulatory intervention is neither necessary not justified.** Any regulatory intervention would risk distorting and restricting the natural competitive market outcomes and adversely impact innovation and infrastructure expansion.

In furtherance to the above, kindly find below our question- wise comments:

QUESTION–WISE COMMENTS

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.

VIL Comments to Q. No.1

1. The domestic leased circuits (DLC) services provided by the TSPs are based on capital intensive, large scale, nationwide infrastructure and not merely providers of last mile connectivity of internet to consumers.

2. The TSPs have invested in the DLC infrastructure at a time when:

   a. The Optical Fiber (OFC) rollout costs were significantly higher.
   b. The Right of way (RoW) approvals were extremely difficult and expensive.
   c. The equipment such as SDH, DWDM and transmission systems involved high capital expenditure and
   d. The risk of visibility of demand was there.

3. The TSPs/NLDOs have undertaken large scale fiber backbone and metro deployments over decades, bearing substantial commercial risk. These providers have invested heavily in pan-India fiber optic networks, DWDM systems, and redundant backhaul to ensure high-reliability DLCs with SLAs (e.g. 99.99% uptime). ISPs, especially Category B and C, often operate at LSA or SSA levels with limited transmission infrastructure, relying on leasing from TSPs/NLDOs or IP-I providers. Hence, allowing them to resell or manage DLCs without equivalent investments could fragment the market, leading to predatory pricing in select pockets and reduced incentives for infrastructure expansion in remote areas.

4. On tariffs, we anticipate a 10-20% reduction in entry-level P2P DLC pricing in competitive circles, but this may not translate to overall affordability if ISPs cherry-pick profitable routes, leaving TSPs to subsidize loss-making rural provisioning. Further, this may also lead to degraded service offering to the consumers by the niche players.

5. The DLC provisioning involves critical elements such as core fiber backbone, metro fiber rings, transmission equipment upgrades, redundancy architecture, ongoing maintenance and restoration costs. Hence the DLC services is an infrastructure led investment.

6. Further, the DLC consumers have critical Businesses (banks, data centers, Government, IT firms) which require, strict uptime SLAs, low latency commitments, restoration guarantees, lawful interception capability and network security compliance. The TSPs operate under established compliance and monitoring frameworks.

7. Extending DLC to ISPs would require a clear alignment of security, interception, and QoS obligations before parity can be ensured.

8. **Therefore, we strongly urge the Authority not to recommend permission to ISPs for provisioning DLCs.**

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.

VIL Comments to Q. No.2

1. DLC tariffs may influence bandwidth charges for ISP B & C operators if they lease DLCs from TSPs/NLDOs to extend services to last-mile customers, without laying their own infrastructure. For ISP B & C operators, providing DLC without their own infrastructure, transmission costs (e.g. optical fiber leasing, equipment amortization etc.) may constitute 40-60% of the opex costs.

2. **Addressing any elements of DLC tariff through tariff intervention, for making it relevant for ISP B&C, will be akin to subsidizing ISPs at the cost of TSPs/NLDOs through regulatory intervention. We request that no such cross subsidiarization is prescribed.**

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

VIL Comments to Q. No.3

1. **No, the MPLS-VPN DLCs should not be brought under the tariff regulation framework.**

2. There is a fundamental distinction in the tariffs being offered to retail consumers versus tariffs offered to enterprise consumers. The retail tariffs are standardized- offerings being made to mass consumers, whereas the enterprise tariffs are structured and tailored based on the specific requirement of the enterprise segment. The specific requirement of an enterprise tariff is fulfilled by entering into a contract between the TSP and the specific enterprise.

3. Unlike other segments where buyers may be retail consumers, in DLC segment, the buyers are mostly enterprises and possess a high degree of bargaining power in this market due to availability of number of service providers. The buyers may generally resort to tender process citing their requirement and SLAs, and select a service provider offering them lowest pricing.

4. Based on their customized and contract driven character, enterprise tariffs do not lend themselves to uniform tariff prescription or ex-ante price regulation. DLC tariffs are similar contract driven tariffs offered to the enterprises.

5. Historically, the TRAI had intervened in the retail tariff market only when the Authority noticed that the markets were not fully competitive in a typical segment/offering. Hence to protect the retail consumers and ensure a competitive market, TRAI intervened in the retail tariffs, in terms of structure or otherwise.

6. However, in case of enterprise tariffs/DLC market there is no such requirement and evidences that there is a market failure. Neither there are any evidences that the consumer interests are being impacted by any unfair pricing, owing to which, TRAI needs to intervene in the DLC market/tariffs. Even for some locations and capacities, market is operating at rate which is substantially lower than the ceiling rates prescribed by TRAI. In fact, the Authority through the Explanatory Memorandum to TTO 36th Amendment 2005, has mentioned that:

> *"1.6. The Authority considers it appropriate to continue with the tariff regulation until such time that competition becomes adequate and effective in the DLC market."*

7. Further, through the Explanatory Memorandum to TTO 57th Amendment 2014, it has also been mentioned that:

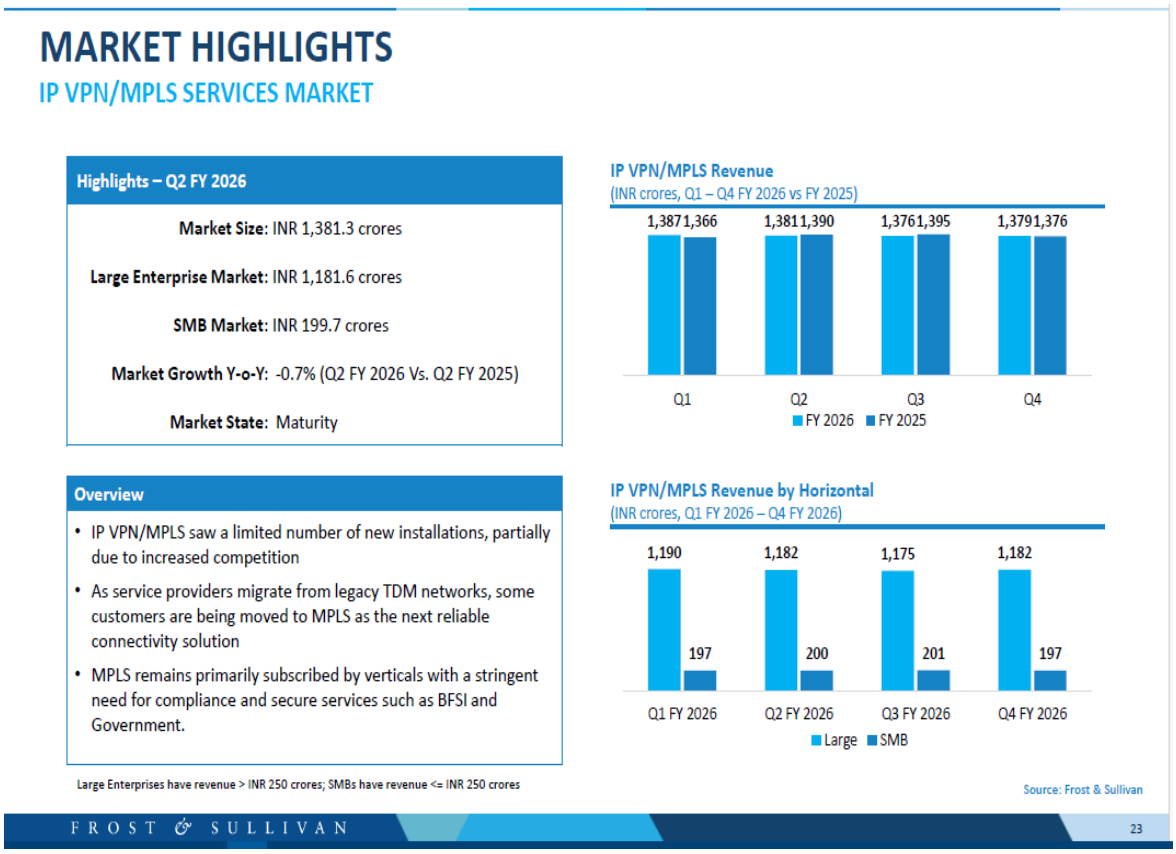
> *"80. The tariff regime, prescribed in this Amendment Order will be subject to review by the Authority after a period of three years. The Authority will closely monitor the implementation of the regime and, in particular, its impact on competition and consumer interests and may intervene, if necessary, in the interim period."*

8. Also, the consultation paper does not provide any structured instances of market failure.

9. In view of the above, any regulatory intervention in such a competitive and negotiated segment would distort the market dynamics and impact the DLC market. **Hence, we strongly urge the Authority that there is no need to intervene in the DLC tariff framework, as it may lead to the market being counterproductive and bringing down tariffs much below the cost.**

10. Further, VPN-MPLS is a product segment providing advanced managed services involving complex routing, traffic engineering, QoS prioritization, and multi-site connectivity, unlike basic NPLCs/P2P DLCs which are simple dedicated links. The costs to implement and deliver MPLS (e.g., specialized routers, software licenses, 24/7 monitoring) are 2-3x higher than NPLCs due to value-added features like burstable bandwidth and failover redundancy. Imposing ceilings for such advanced services would stifle innovation, as TSPs customize MPLS for enterprises (e.g., banking with low-latency requirements), besides, market forces already driving competitive pricing (e.g., 20-30% YoY reductions via SD-WAN integration). Besides, these services are used by specific industry segments, and not by the mass individual consumers.

11. The overall market size in terms of IP MPLS-VPN as on Q2 FY 2026, has rapidly grown and is mature enough (refer below a snapshot of the report published by Frost and Sullivan).



12. The MPLS-VPN DLC market continues its growth and is being driven by the need for enterprise business continuity coupled with intense competition. This competition is pushing the prices down, making better affordability and more demand from aware buyers.

13. Summarily, the MPLS-VPN DLC market need not be regulated for tariffs due to below characteristics:

    a. **Negotiated tariffs**: The prices are negotiated by the enterprise and agreed through contracts.

    b. Customized SLAs: The Service Level Agreements (SLAs) vary due to the bandwidth, redundancy, latency requirement, Geography and security needs.

    c. **Buyers are aware:** The enterprise consumers are aware as they compare multiple TSPs, bargain, issue Request for proposal (RPFs) based on these the prices are procured by them.

d. **Competitive market:** The market is competitive due to upcoming advanced technologies such as Ethernet over fibre, SD-WAN, hence there is adequate competition in this market.

14. The 2014 TTO kept VPNs under forbearance, recognizing their flexibility and cost-effectiveness. Regulating them would deter investments in next-gen technologies. Moreover, ISPs should not be allowed to offer MPLS, as they typically lack the pan-India scale and expertise, potentially leading to subpar services and market confusion.

15. **Hence, we strongly suggest that the MPLS-VPN DLCs should not be brought under the tariff regulation framework and no regulatory intervention is made in this regard.**

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.

VIL Comments to Q. No.4

1. As mentioned in our comments to questions above, we strongly recommend that no regulatory intervention in terms of tariff regulation is required for P2P-DLCs and MPLS-VPNs tariffs.

2. There are significant differences in cost structure and service delivery between traditional Point-to-Point DLCs (P2P-DLCs, often referred to as National Private Leased Circuits or NPLCs) and VPN-DLCs (primarily MPLS-VPNs), which justify keeping VPN-DLCs under forbearance rather than subjecting them to ceiling tariffs. These differences stem from the inherent simplicity of P2P-DLCs versus the advanced, managed nature of MPLS-VPNs. These may be differentiated based on below:

   a. **Infrastructure and Equipment Costs**: P2P-DLCs rely on dedicated physical or logical paths using basic transmission equipment like fiber optics or DWDM multiplexers, with costs primarily tied to bandwidth provisioning. In contrast, MPLS-VPNs require sophisticated routers, switches, and software for label switching, QoS enforcement, and traffic engineering, adding 2-3x costs. Additional examples include licensing fees for MPLS software and redundancy hardware for failover.

   b. **Operational Expenses (Opex):** P2P maintenance is straightforward, focusing on link monitoring whereas MPLS involves 24/7 network operations center (NOC) oversight, dynamic routing adjustments, and SLA compliance tools, escalating opex by atleast 100% to 300%.

c. **Service Delivery connectivity Model**: P2P provides a fixed, dedicated link between two points with minimal processing (low latency <10 ms), suitable for basic backhaul. MPLS-VPNs use shared infrastructure for multi-site, any-to-any connectivity with intelligent routing, enabling features like traffic prioritization (e.g. voice over data) and auto-failover, but requiring complex configuration (setup time: 1-2 weeks vs. 1-2 days for P2P).

d. **SLA and Management**: P2P SLAs are basic (e.g. 99.5% uptime), delivered via passive monitoring. MPLS offers premium SLAs (99.99% uptime, <50 ms latency, <0.1% packet loss) with active management, real-time analytics, and customer portals, demanding skilled engineers (e.g. 2-3x more manpower hours per circuit).

e. **Flexibility and Value-Add**: P2P is rigid, ideal for point-specific needs, while MPLS is flexible for enterprises (e.g. integrating with ERP/cloud), but delivery involves ongoing optimization.

3. These differences highlight why MPLS-VPNs cannot be equated to P2P-DLCs for tariff purposes as such, regulating MPLS ceilings would ignore variable costs or initial huge investments and stifle innovation in sectors like GCCs, where customized VPNs have reduced effective costs by 20-30% YoY without 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? How should regulation incorporate these technological changes in the ceiling tariff framework? Please provide your response with justification.

and

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? How should regulation incorporate these technological changes in the ceiling tariff framework? Please provide your response with justification.

VIL Comments to Q. No.5 & 6

1. DWDM and SD-WAN are overlay technologies and Ethernet over fibre is a layer 2 Ethernet service provided over optical fibre. All these advance technologies are changing the way

the customer is operating. These services provide more efficient, scalable and resilient solutions compared to traditional DLC services.

2. Further, deployment of DWDM, SD-WAN, and Ethernet over Fiber has significantly improved DLC provisioning efficiency, reducing tariffs by 40-60% over the last decade while enhancing capacity and reliability. DWDM allows multiplexing multiple wavelengths on a single fiber, increasing throughput from 10 Gbps to 400 Gbps+ per strand, lowering per-Mbps costs. SD-WAN optimizes traffic over hybrid networks (fiber + wireless), enabling burstable DLCs with 20-30% cost savings via intelligent routing. Ethernet over Fibre standardizes interfaces, simplifying interoperability and reducing setup times from weeks to days.

3. Kindly also refer to our comments given above to question no. 3. In view of this, **we strongly recommend that there is no need for incorporating the technological changes (DWDM, SD-WAN and Ethernet over Fibre) in the ceiling tariff framework, and no further regulatory intervention is required in the framework for DLC tariffs.**

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.

and

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 tariffs? Please provide your response with justification.

VIL Comments to Q. No.7 & 8

There is no need of Regulatory intervention in the tariff framework, for managed DLC service for both P2P and VPN based DLC.

1. At the outset, we would like to submit that different technologies are dependent on various structural differences apart from the bandwidth and service commitments.

2. The tariffs do not only depend on the factors like SLA, bandwidth but other factors such as market repo are also bundled as part of managed DLC services for deciding

the tariffs. Apart from these each technology and its roll-out scale involve different CAPEX, Operational costs, redundancy architecture and SLA capability.

3. The managed DLC (e.g. MPLS-VPNs) services include commitments like:

    a. **Bandwidth**: Guaranteed (e.g. 100% CIR) vs. burstable (up to 2x peak).
    b. **Service Level Agreement**: Uptime (99.95-99.999%), latency (<50 ms), packet loss (<0.1%), jitter (<10 ms).
    c. **Other commitments**: Redundancy (dual-path), security (encryption), monitoring (real-time dashboards).

4. All the above factors influence tariffs for consumers besides the geography-based variable of the cost to lay fibre.

5. The high-SLA MPLS tariffs reflect value (e.g., for Global Capacity Centers (GCCs) requiring zero-downtime), and hence regulating them would commoditize services, reducing differentiation and quality.

6. **Since a uniform tariff will overlook the structural differences and will lead to cost misappropriation, therefore, the Authority should not consider technology neutral tariff models, which focus only on bandwidth and service commitments.**

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?

VIL Comments to Q. No.9

Kindly refer to our comments to question no. 3, 7 and 8, we reiterate that no regulatory intervention should be made w.r.t. DLC tariffs.

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

and

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

VIL Comments to Q. No.10 & 11

We request that no reporting mechanisms/standard tariff disclosure formats for DLC service providers should be mandated by the Authority. We further submit that:

1. **Business to Business service**: DLC is a business-to -business (B2B) service which is largely dependent on several factors such as SLAs, Bandwidth, distance, redundancy, latency etc. Hence, limiting its tariffs to a mandatory requirement of a standardized tariff disclosure format may distort these market practices. Below are some of the reasons due to which the reporting mechanism/standard tariff format would not be beneficial as it will not capture the arrangements on which the tariffs/solutions are based.

2. **Structured enterprise tariffs**: The enterprise DLC tariffs are customized based on the negotiations, unlike the tariffs offered to individual consumers. Any mandate to standardize the tariff disclosure formats for all DLC service providers may interfere with commercially confidential arrangements.

3. **Discounts based on specific period:** Since the discounts on tariffs are largely based on customized solutions, hence these are offered based on the negotiating power of the enterprise.

4. **Negotiated SLAs:** There are different types of Enterprises, such as Banks/BFSI, IT/ITES, Manufacturing, cloud/Data centres. The SLAs or tariffs would vary from sector to sector, depending on the distance, security requirement, solutions or diverse topology. A uniform tariff format would not be able to capture the dependent diverse factors on which the tariff has been negotiated by the specific enterprise.

5. **Ease of doing business**: We urge the Authority that instead of mandating additional reporting requirements, TRAI should trust the market forces and ease out the processes to support business. Any such reporting mechanisms/tariff formats would undermine the commercial flexibility and fail to support the B2B arrangements.

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

and

Q13: In case response to the above question is affirmative, what values of the following items could 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?

and

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.

and

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 could be the concomitant value of the relevant factors mentioned at Q.13? Please provide your response with justification.

and

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.

VIL Comments to Q. No.12, 13, 14, 15 and 16

Kindly refer to our above comments to question no. 3, 7 and 8. We once again strongly urge that there is no need for any regulatory intervention in DLCs tariff framework.

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.

VIL Comments to Q. No.17

Kindly refer to our above comments to question no. 3, 7 and 8 as well as question no. 12 to 16. We once again strongly urge that there is no need for any regulatory intervention in DLCs tariff framework.

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.

and

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

and

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.

VIL Comments to Q. No.18, 19 and 20

Kindly refer to our comments to above questions. We once again strongly urge that there is no need for any regulatory intervention in tariffs for DLCs.

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.

and

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.

VIL Comments to Q. No.21 and 22

Kindly refer to our comments to above questions. We once again strongly urge that there is no need for any regulatory intervention in tariffs for DLCs.

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.

and

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.

VIL Comments to Q. No. 23 and 24

a. The entire market is not witnessing any major fluctuations in pricing or tariff disparities except some areas like hilly/remote or non-metro areas which may have higher tariffs (still substantially lower than ceilings) as compared to other areas but, that is squarely due to the higher costs of fibre laying, maintenance or last mile RoWs. These costs of input factors are not in the control of service providers.

b. While the customer needs and available technologies are advancing and evolving, it is supported by adequate competition and prevalence of strong market forces.

c. Moreover, the tariff determination in such difficult terrains is already market driven and commercially assessed by the TSPs, on the basis of demand, viability and infrastructure costs.

d. Further, the technological advancements in this area, such as fiberization, microwave backhaul and IP based transmission have significantly reduced the difference in deployment costs between urban and remote areas.

e. Therefore, neither a separate tariff ceiling nor any regulatory intervention is warranted for remote and hilly areas, rather we strongly urge the Authority to consider adopting a forbearance approach for entire DLC tariff framework. Prescribing a tariff framework which could be lower than the costs in such areas, may lead to unwanted potential outcomes of TSPs/NLDOs not offering the services itself, which would be detrimental to the interests of the ecosystem as a whole than benefitting any stakeholder. Further, any regulatory intervention in such a competitive and negotiated segment would distort the market dynamics and impact the DLC market.

f. **Therefore, we strongly urge the Authority that there is no need to intervene in the DLC tariff framework, else it can lead to counterproductive outcomes.**

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.

VIL Comments to Q. No.25

No comments.

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