

**Tata Communications Limited's submissions on Draft
'THE TELECOMMUNICATION TARIFF (SEVENTIETH AMENDMENT) ORDER, 2024'**

- At the outset, we thank TRAI for providing us an opportunity to share our submissions on this subject which is important for all stakeholders from both demand and supply side, working together in the enablement of the Public Wi-Fi services under the PM-WANI framework. TRAI vide its draft TTO'99 70th amendment has proposed imposition of the ceiling for the charges on the internet connectivity for the Public Data Offices (PDOs) under PM-Wani scheme equivalent to retail broadband (FTTH) connection in order to promote proliferation.
- In our view, imposing ceiling for the charges on the internet connectivity exclusively for PDOs without any indication of any market failure is not desirable. We submit following aspects to be considered in line with this view:
 - India has one of the cheapest tariff rates in the world. The low tariff rates helped in increasing the internet tele-density in the country, aiding businesses and connecting the vast population, paving the way for growth and development of the economy¹.
 - Extensive rollout of 4G and 5G based internet services in the country especially in last two years.
 - Number of retail Broadband subscribers have increased steadily and presently more than 900 Mn broadband users have direct access to the internet who may not require Public Wi-Fi services.
- In a free market economy, restrictions should not be imposed on prices of commercial services. As per the para 4 (iv) of the explanatory memorandum, DoT in its press release issued at the time of launch of the PM-WANI Framework, had highlighted that as a part of various benefits of the PM Wani scheme, the Telecom and Internet service providers will also be benefited due to the sale of bandwidth to Public Data Office (PDOs). However, the proposed TTO'99 amendment is contrary to the above stated position wherein ceiling of tariff has been proposed equal to the tariff offered for FTTH connection in retail market. In this manner, providing bandwidth to PDOs by way of internet leased line (ILL) at the price of FTTH connection would make the proposition a non-viable commercially for TSPs and ISPs.
- There are ISPs like Tata Communications who are only serving Enterprise market and are not into the retail/consumer ISP broadband business and don't offer FTTH services. The proposed tariff framework will completely deprive such ISPs from availing such business opportunity of providing bandwidth to these PDOs. So, any efforts of TRAI to impose ceiling of the retail broadband pricing on backhaul internet connectivity will have a negative impact on market. Moreover, TSPs/ISPs are directly in competition with PDOs and any such tariff order giving undue advantage to one against the other and thus, putting such ISPs in a disadvantageous position leading to the market distortion and spoil the level playing field.
- Further, proposed rates are trying to fix level of bulk, commercial use bandwidth same as retail, home use which does not stand for sound business and economic sense.

¹ https://www.trai.gov.in/sites/default/files/ADC_31052021_0.pdf

- It is also pertinent to highlight that basis our commercial interactions with PDOs in the marketplace, PDOs mostly take broadband connectivity basis their own set of business requirements and the feasible service provider in their serving area / location be it a TSP/ ISP with mutually agreed commercials, who in turn may be procuring broadband services from another ISP/TSP. Essentially, the PDOs would have to buy connectivity from the locally available networks at the commercially applicable rates.
- The proposed ceiling tariff would also be restricting the flexibility of the PDOs to take their choice of connectivity (either broadband on FTTH or any other media or leased line internet) to meet their business case. Similarly, ISP/TSP should continue to offer choice to its customers to either take FTTH based broadband connection or dedicated leased line service based on its requirement and service availability in a particular location/region.
- As such, the current draft Tariff Order amendment do not deal with the tariffs for the end users, instead same offers protection for resellers of bandwidth.
- It is also pertinent to submit that PDOs would take broadband connectivity basis their own set of business requirements and the feasible service provider in their serving area / location with mutually agreed commercials. It could be via FTTH or ILL or VSAT depending on the availability and price.
- One the stakeholder who is a PDOA has mentioned in its response that there is a revenue sharing issue among stakeholders involved in the PM Wani ecosystem. By notifying tariffs, TRAI is purportedly contending one component of cost, and not revenue which is a main concern here. In this regard, it is submitted that PDOA who is a vital stakeholder of the PM-Wani ecosystem itself is saying that there is a no need of imposing any tariff restriction, thus, establishing that there is no market failure. Hence, such tariff amendment is not required and, in our view, shall not support in increasing the proliferation of broadband services under PM Wani scheme.
- In view of the above submission, it is requested that ISP/TSP should not be mandated to offer broadband backhaul connectivity to PDOs under any regulated/ceiling tariff. It should rather be left to the market forces.
