



TTL Response to TRAI Consultation Paper on Differential Pricing for Data Service

Q1: Should the TSPs be allowed to have differential pricing for data usage for accessing different websites, applications or platforms?

TTL Comment:

TTL believes in providing non-discriminatory access to the internet for all consumers and also ensure access to different websites and applications etc. consistent with applicable laws, rules and regulations. TRAI is seeking views on the possibility as well as feasibility of differential pricing for data services for accessing websites. TSPs already have the freedom and ability to provide diverse price packages for various data usages. These are essential tools for effective competition in the market. One view could be allowing differential pricing as indicated in the question above so long as there are clear safeguards to prevent discrimination against consumers and in a manner that does not interfere with a free and fair ecosystem for data access for all consumers.

In a highly price sensitive market like India, tariffs have been a key element of differentiation for operators, especially challengers. If an operator uses price as a lever to attract customers to their data access service vis-à-vis that of their competing service providers, this should not be prevented. In fact, differential pricing can empower consumers to pay only for what they want to use, thus spurring growth in adoption and continuous usage of digital services.

Globally, free market business norms, across categories are built on marketing differentiation based on consumer affordability and feature expectations. Restricting the freedom of TSPs to differentiate by way of price or features would stifle free competition which would, in the end, hurt the consumer.

To prevent abuse of the system by any of the players in the ecosystem, existing anti-competitive, non-discrimination and anti-trade legislation that already exists can be reviewed and strengthened as needed.

Q2: If differential pricing for data usage is permitted, what measures should be adopted to ensure that the principles of non- discrimination, transparency, affordable internet access, competition and market entry and innovation are addressed.



TTL Comment:

Given how rapidly the data-driven industry is growing and evolving, it would be very difficult to predict with any certainty the exact shape it will take in the future. In such an environment, minimal “light-touch” regulation would ensure the maximum flexibility to evolve and adapt to any change.

The principles of non-discrimination and transparency in tariffs have been central to telecom services for the last 20 years in the country and many safeguards already exist in current legislation and processes such as the prevailing tariff filing provision by the Authority. These and other practices will ensure that the principles of non-discrimination, transparency, affordable internet access, competition and market entry as well as innovation are addressed. TRAI can always review tariff plans on a case by case basis and make modifications as necessary through an adjudicatory process to be specified by the regulator and after giving a reasonable opportunity to the operator of being heard.

Further, the principle of “Reference” offers as has been used in certain categories in the past can be explored. Under this mechanism, operators are required to compulsorily make available certain (one or more) pre-configured (terms/specs stipulated by regulation) plans/offers/bundles to all consumers. In addition to that, they are free to provide any variants of these that they so wish.

This way it is ensured that the interests and freedom of both consumers and operators is not compromised.

Q3: Are there alternative methods/technologies/business models, other than differentiated tariff plans, available to achieve the objective of providing free internet access to the consumers? If yes, please suggest/describe these methods/technologies/business models. Also, describe the potential benefits and disadvantages associated with such methods/technologies/business models?

Q4: Is there any other issue that should be considered in the present consultation on differential pricing for data services?

TTL Comment:



In order to bridge the digital divide and ensure that all Indians have affordable access to the Internet, it is important that all concerned stakeholders come together to work towards universal and affordable access. In this regard, innovation in tariff offerings must be seen in the context of broader policy reforms required to promote this objective.

Protection to consumers in terms of existing anti-competition, non-discrimination and unfair trade practices law exists and can be reviewed or strengthened as felt necessary.

The opportunities being thrown up by the explosive growth in recent times of the internet are tremendous and still evolving. Newer and newer businesses and models are appearing every day and it is difficult to predict, with any certainty, all the directions in which the industry will evolve. Ensuring the maximum flexibility to adapt to change by not seeking to limit any part of the industry in any way, while ensuring a free and fair ecosystem, would be crucial to its continued evolution for the betterment of all.