



# Citizen Forum

(registration number- S-E/41/Distt. South-EAST/2013)

To,

**The Secretary**

Telecom Regulatory Authority of India,  
Mahanagar Doorsanchar Bhawan  
Jawahar Lal Nehru Marg, Old Minto Road  
New Delhi – 110002

President  
R.S.P.Sinha  
Former. C.M.D-MTNL

Vice President  
R.Ashok  
Former. Member  
Telecom Commission  
and TRAI

Secretary  
A.K.Chaturvedi  
Former. Advisor DOT

Treasurer  
Vikas Kumar  
Chartered Accountant

**Subject: Response to TRAI's Consultation Paper on 'Differential Pricing for Data Services' dated 9<sup>th</sup> December 2015.**

Sir,

We are thankful to TRAI for the consultation paper on "Differential Pricing for Data Services", which is very timely and contextual. Prior to responding to the queries, we would like to draw the attention of TRAI to the following points:

**1) Existing consultation on net neutrality:**

Many of the issues discussed in this consultation paper are already part of the discussion pertaining to the issue of net neutrality under the TRAI consultation paper dated 27.03.2015. A comprehensive view on net neutrality cannot be formed without the associated aspect of pricing of data services and it would be prudent to view all the inter-linked matters together. TRAI should come out with a comprehensive order in the interest of the industry.

**2) Customer centric policies:**

As in the past, we expect TRAI to take customer oriented measures so as to increase penetration of data services in the country as well as to ensure that services are made available to customers at the most appropriate tariffs. Reasonably priced data services are critical for growth of data in the country.

**3) Locally hosted services:**

We understand that there are significant cost savings for operators in delivering data to customers when the data is hosted locally in India, and even more so when the service is being offered through the intranet of the TSP. Locally hosted data is also easier to monitor from security point of view and is therefore in national interest.

Chairman, TRAI

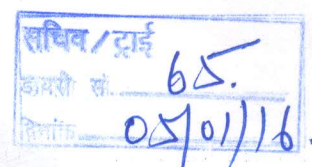
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Handwritten notes: JA/ST, Manual, 7/1/16, RAB/ST, 22, 7/01

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In this regard, we urge TRAI to assess why hosting of data servers locally should not be made mandatory for all content providers. This would not only make data services cheaper in the country, but will also align with the overall objectives of the Government to promote investment in the country and meet our security requirements.

In any case, TRAI and the Government should incentivize local hosting of services by allowing operators to offer these services at lower tariffs to customers, and be able to charge higher tariffs for data hosted outside the country. We have a very good opportunity through tariff incentivisation to promote investment in the country and meet our security priorities.

#### **4) Operator owned services:**

Operators are required to provide certain essential services such as self-service, emergency services, healthcare and value added services to customers. TRAI should ensure that these are provided free of cost or at subsidized tariffs to customers.

Also, given the lower cost for operator own services which are delivered only to the operators own customers and using its own network, TRAI should also ensure that these services are made available at lower tariffs to customers. TRAI should evaluate if these services could be delivered free of cost, atleast it may enable operators to do so, for the overall benefit of customers.

#### **5) Open Internet**

In the context of the debate and noise being created in the country on net neutrality issues, we urge TRAI to formulate policies so that all content is available to customers without any blocking or throttling done by operators.

With this background, our response to the queries are provided below:

#### ***Question 1: Should the TSPs be allowed to have differential pricing for data usage for accessing different websites, applications or platforms?***

1. TSPs should not have differential tariffs for data usage ordinarily. TRAI should monitor any deviations and allow on a case-to-case basis after ensuring that the tenets of non-discriminatory, transparency and affordability of internet access service are addressed.

2. TSPs should however be encouraged to offer data services from servers hosted within the country / locally at lesser rates. This will encourage more investment in the country and make services cheaper for customers. This will also address security priorities of the Government.
3. Also, TSPs should be given pricing flexibility for on-net services as there is lesser cost associated with these services, which the TSPs should be allowed to and encouraged to pass on to customers. This will bring access to customers at more affordable prices.
4. As in several other countries such as US, France, Norway, Singapore etc, operator own services should be left outside the purview of net neutrality/ differential tariff principles, so that operators are able to offer these specialized services to their own customers using their own network for the benefit of customers.
5. There are services such as Binge On or Stream in the US that are offered to customers to encourage usage, wherein operators have passed on the benefit of lower cost of delivery to the customers. These services are well received and benefit all stakeholders, including consumers and operators.

***Question 2: 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?***

1. TRAI may allow differential pricing for general internet services, if at all, only on a case-to-case basis after ensuring that the principles of non-discrimination, transparency, affordable internet access, competition and market entry and innovation are addressed.
2. The enshrining of net neutrality principles viz. no throttling, no illegal blocking and no paid prioritization, will enable TRAI to deal with the adverse anomalies sought to be created by other unregulated players in the market.
3. Considering that on-net / intranet services can only be offered by operators on their own network and only to their own customers, there is no question of discrimination. TRAI may allow these services to be encouraged and provided



at subsidized rates for the benefit of customers. The only issue to monitor here would be that operators do not charge these services at rates higher than general internet as the cost of these services for operators is lesser than cost involved in offering general internet services.

**Question 3. 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?**

1. The consultation paper has discussed some innovative and interesting business models to increase the spread of internet, which may be explored by developers and content providers.
2. Exploring new business models to increase the spread of access to Internet may be left at the hands of free market, however TRAI should monitor these developments to ensure that these comply with the overall principles laid down by TRAI, which include non-discrimination and protection of consumer interest.

**Question-4: Is there any other issue that should be considered in the present consultation on differential pricing for data services?**

We have already discussed in the first section on Principles. There are no additional points to be raised.

Thanking You,

Yours sincerely,

For Citizen Forum



President

Copy to:

- ✓ 1. Shri R. S. Sharma, Chairman, TRAI
2. Dr. Vijayalakshmy K. Gupta, Member, TRAI
3. Shri Anil Kaushal, Member, TRAI
4. Smt. Vinod Kotwal, Advisor (F&EA), TRAI