TO: The Chairman, TRAI

Dear sir,

We at One97 Communication want to mention that the Consultation Paper ("CP") is based on a very positive note – the need to connect nearly one billion Indians who are not connected today. To address this important need, the Authority has considered forfeiting its policy of price forbearance

We strongly feel that the differential pricing models in addition to violating TRAI's own principles also break the internet. Internet is one and data needs to be priced in the same way. Harmful forms of price discrimination will eat away the neutrality of the internet. Wider internet access is a noble goal, but we will not achieve it by betraying the goal of an innovative, fair transparent and vibrant Internet. Hence, there is an imperative need for the regulator to uphold the core principles of tariff framework to protect the consumers' interest preserve the internet and allow level playing field for small content providers.

Responses to Issues for Consideration

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

No, the TSPs should not be allowed to have differential pricing for data usage for accessing different websites, applications or platforms. The different pricing models mentioned in the TRAI 'CP' are not only violating the core principles of TRAI's pricing regulation but also the Principles of Net Neutrality.

The differential pricing models will empower the TSPs to select certain content providers and offer discounted access plans to certain websites/applications/platforms which will be anti-competitive for other websites/applications/platforms, especially the small content providers and the start-ups. The TSPs get the scope to disincentivize access to other websites/applications/platforms by either putting higher tariffs or though illegitimate network management.

Thus, differential tariffs will result in:

- Differential tariffs will disadvantage the small players and the start-ups.—•

Giving absolute powers to the TSPs will lead to classification of subscribers based on the content they want to access (those who want to access non-participating content will be charged at a higher rate than those who want to access participating content). This violates the principle of non-discriminatory tariff.—•

Differential pricing will lead to paid and unpaid prioritisation by the TSPs that will lead to anti-competitiveness amongst the website/application/platform providers.—•

Charge differently for certain types of internet apps [On-Network terminated calls, as stated in the paper] over others will break the internet and stifle innovation.—•

Differential pricing in the name of providing wider access and connectivity is fallacious, misleading and ambiguous. Such models come at a cost of lowering consumer choice and giving rise to oligopolistic competition. Poor and non internet savvy users will never know the advantages of the internet in its entirety under such limitations.—•

As per research it was reported that harmful forms of price discrimination are eroding the neutrality of the internet. Close to 92 vertically price discriminated zero rated mobile services in OECD countries as of November 2014. Also reported, in OECD 36 mobile operators were zero-rating their own data-hungry mobile video services while 10 operators were zero-rating their own mobile cloud storage services. A German court blocked Deutsche Telekom's similar plans on the basis of consumer protection law.

Hence, One97 submits that any pricing mechanism that allows paid or unpaid prioritisation or other discriminatory practices will seriously limit competition, throttle innovation and fundamentally lead to fragmentation of the Internet. Such measures should not be allowed in any case.

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?

Data services cannot be charged with differential pricing [as stated in the answer to Q1], as the positive effects of expanding and accelerating internet access to the unconnected masses will be negated by the various contravening effects that would ensue as a result of this practice.

Question3. 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?

Yes, there are various basic models that can provide free/discounted and wider access to the 1 billion unconnected people in India. In India, even though the Mobile adoption landscape is evolving rapidly, the absolute internet penetration is the lowest among the BRIC nations. Besides, India ranks below Sri Lanka and Bhutan. On such grounds, ensuring transparency and preventing differentiated tariff offers in the market is very important for addressing net neutrality concerns. Instead of allowing differential pricing for certain data services over others to provide free and wide access, legitimate and transparent business models can be adopted without breaking the internet or skewing competition. Some examples are given below.

Legitimate Business Models to provide Connectivity without Breaking the Internet or violating principles of net neutrality:

For Large Public Access

Customer Subsidy Mechanisms: Subsidy schemes as adopted under the flagship Government schemes such as MGNREGA could be adopted to provide free data to the customers. Free internet coupons can be given to consumers who will have their own choice to select which apps/websites to use.—•

Wholesale Model: TSP/ISP forming partnerships with venue owners so they could propose Wi-Fi networks with a discounted or free model to the end customers. In this model the operator shares the investment costs and revenue with the venue partners.—•

Time Based Model: The operator offers hourly and daily passes for access to its Wi-Fi network—•

Freemium Models: Under this model the service providers can offer managed service for public locations (e.g., coffee shops, hotels, airports, stadiums, railway stations) that want to provide free access to their customers and employees.—•

Community Hotspots: This is highly used model in the western countries where the Wi-Fi connections at home hubs enable users to share their Wi-Fi signals with others.—•

In Transit Model: There is a demand for Wi-Fi roaming among a broad base of consumers, including those who don't use data at all while roaming for fear of bill shock. Public transport such as Bus, Train and Cabs can be Wi-Fi enabled.—•

Bundling Model: Delhi Wi-Fi has adopted the bundling model approach where the government will pay for the actual usage of up to 1GB per month per SIM5 on actual usage basis or on OPEX. Such free internet usage will be provided in various hot zones, private and government colleges. In transit Wi-Fi in DTC buses and other Public Transport are also planned.—•

Free Internet as a part of CSR: One97 suggests that to induce various internet companies to provide free internet packs to the users; the government can introduce this as a part of Corporate Social Responsibility [CSR] activity. The Company Act can be revised to include such services as CSR activities.

Best regards,

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