

Consultation Paper on Differential Pricing for Data Services

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

TSPs should not be allowed differential pricing for data usage for accessing different websites, applications or platforms.

The reasons :

1. TSPs will direct subscribers to certain content/websites for which they earn revenue. Subscribers will be charged higher or barred access to those websites which offer cheaper alternatives.

Eg. If an ecommerce website is a preferred partner to the TSP, the subscriber may be barred from accessing competition ecommerce sites or charged for doing so.

2. It will stifle innovation.

If this model comes in use - Whatsapp, Skype, Viber etc (OTT apps) would be barred or charged per call/per message by Telecom Operators. They will force subscribers to use Telecom Network rather than innovative applications.

3. There is no value add from TSP in this case.

4. Someone will bear the cost of free access. It 's still unknown incase of freebasics or zero rating platforms.

While such differential pricing is technically possible it will be used by TSP to earn higher revenues by forcing their choices on subscribers. This is not the objective of Internet free access.

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?

Some suggestions here :

1. All free content on the Net should be accessible free of charge.

Example : a) Messengers, Calls and Emails from Whatsapp, Hotmail, Outlook, Gmail, Youtube, etc b) Company internet sites meant for

public information is free of charge for subscribers. TSP cannot charge for it.

2. All websites of governments (Indian and foreign ,state, local, embassies), search engines and their results, educational institutions, Wikipedia should be free of charge.
3. Access to commercial sites B2B, B2C websites should be chargeable. They are the ones which consume data.
4. Data consumed by advertisement on the web cannot be charged to the subscriber.
5. Data consumed by subscribers in Villages should be free of charge.

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. Charging methods based on data speeds and data limit based on duration is the best way to achieve objective of internet access to customer. Customer can access any content available for his benefit and for benefit of the society.

This also enable new applications to be generated which help in accelerating downloads, innovations disrupting the traditional means of communications.

2. For free of charge internet access, villages could be considered. Anyone using the internet in the village zone of could be given a free access of upto 100MB per month by the TSP.

Eg. If subscriber uses 110MB in a month, he should be charged for 10MB for that month. It would mean people have real free access for whatever they wish to do.

The TSP infrastructure would be funded by voice calls , higher charges in the towns and cities and rental of devices.

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

Data growth is beneficial for the Indian economy. It has provided a new revenue stream for mobile operators and fixed operators. Internet access is now available from smart phones to almost every Indian.

It's essential that this data access or Internet access continues to grow in a financially viable manner. Free internet is not necessary except for those in villages. These villages are really cut off from the cities and technology.

Access speeds are pathetic even in a city like Mumbai for both wired and wireless (3G) TSPs. This needs to be improved all over India. Free internet should not mean low dial up like speeds wherein a person waits for forever to download his webpage. Free and paid internet should have a minimum speed of 2Mbps with a guaranteed throughput of 1.5 Mbps or more.