

No.: CNPL/TRAI-L/50

Date: January 7, 2016

To,

The Advisor (F&EA),

Telecom Regulatory Authority of India

Mahanagar Doorsanchar Bhawan, Jawahar Lal Nehru Marg,

New Delhi – 110002

Kind Attention: Ms. Vinod Kotwal

Subject: Response to Consultation Paper on Differential Pricing for Data Services (Consultation Paper No. 8/2015)

Dear Madam,

This is with reference to TRAI Consultation Paper on Differential Pricing for Data Services (Consultation Paper No. 8/2015) dated 9th December 2015, we are herewith submitting our submitting our response.

We have also sent the response by e-mail to advisorfea1@traai.gov.in

We hope that Authority will take our input into consideration.

Thanking you.

Yours sincerely,

For Citycom Networks Private Limited,

Brajesh Jain

(Brajesh Jain)

President



Consultation Paper No.: 8/2015; dated 9th December 2015

Consultation Paper on Differential Pricing for Data Services

The primary need is for Vibrant Broadband Ecosystem and facilitating for all citizens, urban and rural Affordable Broadband and Quality Broadband and should be such that leads from scarcity to abundance. The charges should follow the normal market practice of Unit consumption price should fall as base consumption volume grows. For this Broadband Ecosystem, TSPs and Internet Services and applications as relevant to India are needed. As we have diverse regions, there is distinct role for local regional entrepreneurs to develop such applications/services.

Flow of packets in the network has to strictly adhere to the principle of no packets getting preferential treatment

TSPs, as we are using also includes Internet Service Providers (ISPs).

We are giving as below our response to specific queries.

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

Response:

Differential pricing for accessing web sites should not be allowed. Allowing such differential pricing would only be beneficial to existing large content companies and large TSPs. As Content Service Providers (CSPs) are not likely to offer similar terms to medium, small, and new TSPs. This would thus result in undesirable Competitive disadvantage to many TSPs and large CSPs. This would be hindrance to the growth of CSPs. TSPs, medium and small, not being in a position to get negotiated differential pricing deals would also be affected.

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

Response:

'Differential data prices' has the potential of killing innovation in creating content and emerging CSPs in India. This innovation is very critical for India for development and

availability of relevant content. As we are all aware most of the content is originated abroad does not reflect the local culture, very diverse social needs etc. Very large numbers of CSPs are required and should be enabled with very competitive and innovative environment.

Any differential pricing can be based on location, time of day, Specific content like Audio, Video, Games, Browsing. Reducing data charges for entire classes of applications can benefit consumers. Also Fair Usage Policy (FUP) can come in effect as per the transparent package and tariffs. With transparent network services and nondiscriminatory flow, innovation by the CSPs should be left to them only. In case their innovation touches the needs of a customer then he will take it in a transparent and non discriminatory manner. TSP should have no role in deciding which content provider products should be pushed or throttled. The affordable internet is a must. But by providing free access to part of the internet (Branded internet), actually it is total cost to the consumer which is important. As user gets to use content other than Branded and locally more useful to him, consumption would be higher. And with this higher consumption, there is risk of higher unit price of consumption of Other Content.

In any case, any tariff plan should not be allowed to throttle traffic for specific content or a set of consumers.

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?

Response:

Free Internet is not at all sustainable model. As explained above, we need to encourage the environment from scarcity to abundance. Free internet concept is contrary and would stifle supply and consumption. Only established CSPs/TSPs having deep pockets would resort to this tactics of free access in the beginning. And after free fixed small volume, incremental price per unit of consumption goes up drastically. Total cost paid by the consumers would actually turn out to be higher.

Actually as consumption grows, incremental unit cost should be lower.

TSPs also need to provide such incremental costs transparently. In the past there have been multiple instances of bill shocks, though effectively controlled by TRAI in

the past. With this free internet the pricing model would become very complex. TSPs would be expected to give detailed MIS transparently about type of usage and charges for the same since differential charges would be there. Such MIS also has the potential of infringing on Privacy.

There is need for affordable data price which is of high speed, good quality of experience and does not prohibit consumption. TRAI have already provided recommendations in its recommendation on delivering Broadband quickly in April 2015. There is need for once again reiterating and pushing the Government for speedy decision on the same. Namely No AGR for at least 5 years for Wireline Broadband, Unrestricted infrastructure sharing, Effective Right of Way policy would help in making Broadband more affordable.

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

Response:

Vibrant Competitive universally available Internet Broadband throughout the country is needed. This is possible if Government looks at Broadband sector holistically like in the past for telecom voice services, regulatory intervention was to support the growth like license fees changed from fixed license fees to revenue share, calling party pays, spectrum being given on subsidized rates on administrative basis.

Innovation in Broadband constantly has faced roadblocks rather than easing. Innovations have been stifled, not allowing VPN, VOIP naming a few. Many large foreign companies, not in the ambit of Licensing, have taken all this business at the cost of local TSPs.

With encouragement of innovation, Internet can spread equal to the speed at which cable TV spread its business in a very short time covering most of the country.

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