

From: ANKON RAY <ankonr@sebi.gov.in>

Dear Sir,

With reference to the captioned subject, I would like to offer my personal comments on the specific comments by several major ISPs to allow them to set post FUP speeds of 64kbps, giving the reason that some users “misuse” the service post FUP.

With regard to the above, it may be pertinent to mention at the outset that cumbersome initial installation has allowed ISPs to operate as virtual monopolies in areas where they have services. It is true not only in developing countries like ours, but developed countries like the USA as well. News reports have also revealed that ISPs are willing to resort to every possible means to protect the virtual monopolies they enjoy, an example being the stiff opposition to municipal broadband in the USA. Thus, it may be concluded that the question of allowing competition to determine fair tariffs does not arise in this particular set of circumstances, and regulators need to step in. If the tariffs charged by major ISPs is looked into, it is found that Indians are paying substantially higher costs for internet access compared to most of the western world, for inferior service. For example, Comcast, generally regarded as one of the most anti competitive ISPs in the USA, offers 25MBPS with a 300GB FUP for less than Rs. 2400 per month. even in Estonia (A country which has taken full advantage of the digital revolution to bring themselves out of grinding poverty, and is now home to many tech startups, including the makers of the superhit game, Angry Birds) offer 20MBPS unlimited download speed plans for less than Rs. 1700 per month and 400MBPS for less than Rs. 2700 per month. In comparison to this, Tata Docomo, which offers the cheapest tariffs among major ISPs would be charging Rs. 6700 per month for 20MBPS 210GB FUP (Including cost for additional data booster plans and service tax after exhaustion of FUP of 100GB). These prices are even more alarming if it is seen in context of India’s per capita GDP of approximately Rs. 88,000 (Nominal 2015) per annum compared to Estonia’s per capita GDP of Rs. 11,70,000 (Nominal 2015) per annum.

If the fact that 210GB can be exhausted with approximately 27 hours of use at 20MBPS is taken into account, the comment of ISPs allowing them to set post FUP speeds of 64kbps is exposed for what it really is, monopolistic exploitation of customers. It is submitted that, as has already been expressed by TRAI, a minimum speed of 2MBPS is a must for basic use of the internet.

It may further be brought to your notice that the plans with FUP are marketed by ISPs as unlimited plans with the FUP speeds being advertised in bold without actually offering unlimited data at those speeds. This is false and deceptive marketing and completely against any idea of delivering broadband services in a transparent manner.

I would like to conclude by drawing your attention to the Digital India initiative inaugurated by our Hon’ble Prime Minister in 2015, which will be an utter failure if ISPs are allowed to set unusable speeds and abysmal FUP for Internet use.

Yours faithfully,

Ankon Ray