

**Tata Communications Limited's submissions on TRAI Draft
THE TELECOMMUNICATION TARIFF (SEVENTY FIRST AMENDMENT) ORDER, 2025**

At the outset, we thank TRAI for providing us an opportunity to share our submissions on this subject considering economy wide potential benefits of the PM-WANI scheme which is important for all concerned stakeholders from both demand and supply side, working together in the enablement of the Public Wi-Fi services under the PM-WANI framework. TRAI vide its draft TTO'99, 71st amendment has proposed that Broadband tariff (FTTH) for Public Data Office (PDO) under the PM-WANI scheme shall not exceed twice the tariff applicable for retail broadband FTTH services for the corresponding capacity offered by the respective service provider. TRAI in its proposed tariff order has mentioned that in order to achieve the goals and objectives of the Government set for the PM-WANI and the limited revenue potential of small scale PDOs, it is necessary to rationalize the cost of broadband connectivity to PDOs to pace up the proliferation of PM-WANI scheme.

In this context, while we appreciate TRAI's objective of fostering the growth of public Wi-Fi services by introducing price ceilings for PDO internet connectivity, however, we are of the view that the proposed pricing cap could lead to the unintended consequences that may hinder the very ecosystem it aims to strengthen. we would like to reiterate our submission made earlier that imposing any kind of ceiling for the charges on the internet connectivity exclusively to be offered for PDOs without any indication of any market failure is not desirable.

Tata Communications would like to submit as follows considering the long-term interests of the PM-WANI framework ensuring win-win for all stakeholders within the broader ecosystem:

- At the outset, it is submitted that in India, tariffs for telecommunications services are under forbearance and regulated by the market forces of supply and demand, therefore, imposing any kind of ceiling on the prices of commercial services is not desirable and disturb the level playing field. With over 944 million broadband users, wherein most of them has direct internet access, the demand for public Wi-Fi services has diminished. Thus, imposing a ceiling on pricing for PDOs risks disrupting the market forces that have fuelled this progress, potentially undermining the achievements made so far in expanding broadband access.
- Tata Communications Ltd. being an ISP is only serving Enterprise market and are not into the retail/consumer ISP broadband business and we even don't offer FTTH services. The proposed tariff framework will completely deprive such ISPs from availing such business opportunity of providing bandwidth to these PDOs. Therefore, any such restrictive regulation imposing ceiling of the retail FTTH broadband pricing on backhaul internet connectivity will have a negative impact on the market. Moreover, TSPs/ISPs are directly in competition with PDOs and any such tariff order giving undue advantage to one against the other and thus, putting such ISPs in a disadvantageous position leading to the market distortion and spoil the level playing field.
- Moreover, while FTTH connectivity is the last-mile delivery solution, it can also be used for dedicated internet or high-speed broadband or typical consumer grade broadband services. Defining a tariff ceiling does not justify the use case, especially for broadband in tier 2, 3, and 4 cities, where deploying networks to make PM-WANI successful would not be financially viable for the ISP/TSP due to high distance of fibre coverage cost for

delivering the service. For service providers with limited retail broadband presence who can only offer services through ILL, such a pricing clause would be detrimental to the success and viability of the PM-WANI program. In other words, providing bandwidth to PDOs by way of internet leased line (ILL) at the price of FTTH connection would make the proposition a non-viable commercially for TSPs and ISPs.

- Further, PDOs would take broadband connectivity basis their own set of business viability and connectivity requirements and the feasible service provider in their serving area / location with mutually agreed commercials. Public Data Offices (PDOs) typically select broadband connectivity choosing from various providers and technologies such as FTTH, ILL, or VSAT depending on the availability/ feasibility and competitive price. It is essential to allow PDOs the flexibility to negotiate pricing and service options tailored to local market conditions to optimize service delivery. The commercials should be proportionate to the service levels provided to the customer and what service the PDO is consuming. ILL/VSAT/Broadband are variants of internet connectivity & will have different commercials and should not be equated at same levels. Imposing a pricing ceiling would also eliminate this flexibility, forcing PDOs into a rigid pricing structure that may not align with their operational requirements or local circumstances. Thus, we recommend that let PDOs should continue to have the autonomy to choose broadband connectivity based on their unique business requirements and the most feasible service provider in their area, accompanied by mutually agreed-upon terms.
- Pricing internet leased line (ILL) services at FTTH rates would make such offerings commercially unfeasible for TSPs and ISPs, which could deter investment in the PM-WANI ecosystem and stifle growth. Therefore, in our view, the Fiber-to-the-Home (FTTH) tariffs offered to Public Data Offices (PDOs) under the PM-WANI framework should not be capped more than twice the tariff applicable for retail broadband FTTH connection under a particular/same capacity. Instead, it should continue to be left to the market forces to determine the commercial pricing on which backhaul connectivity can be obtained by the PDOs from TSPs/ ISPs.
- The proposed tariff structure also fails to account for the significant differences between bulk, commercial-grade services and retail broadband services designed for home use. The operational costs of delivering high-volume bandwidth to PDOs are considerably higher than those of retail broadband services. By aligning the pricing of PDO connectivity with retail broadband, the proposal undermines the financial viability of providing these services to PDOs, potentially discouraging investment in necessary infrastructure.
- Therefore, it is not recommended that the tariffs for Fiber-to-the-Home (FTTH) connections offered to PDOs under the PM-WANI framework exceed twice the tariff applicable for a retail broadband FTTH connection of the same capacity. As such, the current draft Tariff Order amendment do not deal with the tariffs for the end users, instead same offers protection for resellers of bandwidth. However, in case, it is decided to regulate the commercial arrangement between PDOs and TSPs/ISPs, we recommend that the retail tariff which PDOs will offer to their end customers should also be regulated in a similar manner so that the end user should be equally benefitted from such tariff regulation and PDOs being a reseller of bandwidth should not be able to misuse the intended pricing benefits under the regulation.

In view of above submissions, we have gone through the comments submitted by other stakeholders to the Draft 71st amendment to the TTO'99. While we agree that majority of the views expressed by other stakeholders are in line with our submissions, however, there are some disagreements as well which is important to highlight to TRAI for ensuring a pragmatic and balanced approach on this important subject.

These are enumerated below for kind attention of TRAI:

- One of the stakeholders has mentioned *mis-characterization of PDOA-PDO as B2B Service Providers*. In this regard, we wish to submit that since consumer tariffs are different from B2B tariffs which include the tariffs for backhaul, are governed through contracts and are specific to the customers and are not the same for each customer. Since PDOs are also a B2B service provider providing internet access to its end users using the backhaul connectivity obtained from ISPs/ TSPs under the B2B commercial arrangement. This model established the fact that PDOA-PDO individually and/or jointly fall in the category of service providers being a B2B player who are allowed to provide such telecommunication services through special dispensation under the PM-WANI framework enabling them to carry out such activities without a licence under the registration.
- It has been argued by one of the stakeholders that *for the last 9 years some TSPs and ISPs have not assisted in Public Wi-Fi but on the contrary have resisted it every time. This, they could do in the absence of any tariff intervention. The tariffs for internet broadband were left to market forces and such market mechanism has failed*. We strongly oppose this as there is no market failure and tariff forbearance regime is well established which is regulated by the market forces of supply and demand and working well ensuring affordable tariffs for over 944 million broadband users. Instead, imposing any kind of ceiling on the prices of commercial services is not desirable and disrupting the market forces that have fuelled this progress, potentially undermining the achievements made so far in expanding broadband access. We respectfully urge TRAI to reconsider this approach and allow market forces to drive the continued growth and expansion of public Wi-Fi services. This will ensure the long-term sustainability of the PM-WANI ecosystem, benefiting all stakeholders involved.
- The submission made by one of the stakeholders that *one of the key reasons of the lack of Public Wi-Fi in India is exorbitant tariffs to PDOs, making PM-WANI completely unviable. The regulatory intervention is required in such tariffs as the market mechanisms have failed to provide PM WANI services*. This argument is completely a misconception and creating level playing issues among stakeholders involved in the PM Wani ecosystem. The ground reality is that the PDOs takes broadband connectivity from ISPs/ TSPs basis their own set of business viability and connectivity requirements and the feasible service provider in their serving area / location with mutually agreed commercials. PDOs being a B2B service provider has complete flexibility to negotiate pricing and service options tailored to local market conditions to optimize service delivery. Public Data Offices (PDOs) typically select broadband connectivity choosing from various providers and technologies such as FTTH, ILL, or VSAT depending on the availability/ feasibility and competitive price.

In conclusion, we reiterate that the proposed tariff intervention does not benefit the end consumers but will benefit only the unlicensed PDOs intending to compete with the licensed ISPs/ TSPs creating a non-level playing field. Therefore, ISPs /TSPs should not be mandated to offer broadband backhaul connectivity to PDOs under any regulated/ceiling tariff and the commercial arrangements, including tariffs, between the PDOA/PDO and ISPs/ TSPs should be left to market forces.