



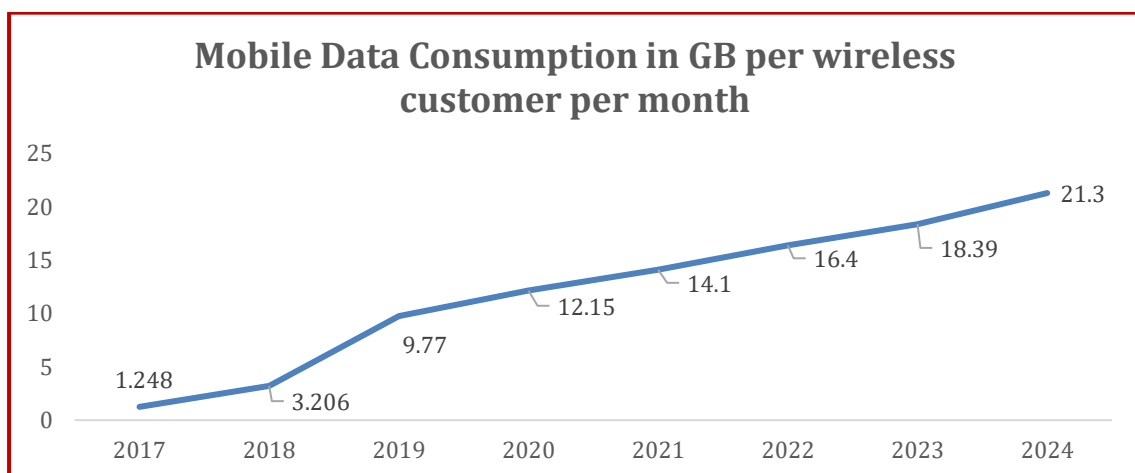
**VIL Comments to the TRAI’s Consultation on Draft
“The Telecommunication Tariff (Seventy First Amendment) Order, 2025”
issued on 15.01.2025**

At the outset, we are thankful to the Authority for giving us this opportunity to provide our comments to the TRAI Consultation Paper on “Draft the Telecommunication Tariff (Seventy First Amendment) Order, 2024” issued on 15.01.2025.

In this regard, we would like to submit our comments as follows, for Authority’s kind consideration:

A. Relevance of PM-WANI Scheme

1. We would like to highlight that the anticipated numbers for Wi-Fi hotspots were overly optimistic at that point of time and did not consider the dynamics of the ecosystem. In fact, the benefits of the scheme have faded over time due to the ever-transforming telecom landscape in the country.
2. Considering the massive investments worth lakhs of crores of rupees, over 8 lakh telecom towers and millions of BTSs installed by the TSPs, there is a need to recognize that more than 95% internet users are on wireless networks only. The PM-WANI scheme, with its focus on Wi-Fi hotspots, does not align with the current usage patterns in the society or the growing preference for mobile data. Considering the low-cost data plans, already made available to the end users by TSPs, the demand for public Wi-Fi will never be as high as anticipated by the Government.
3. The graph below shows that the wireless data consumption has increased by ~17 times from the time this scheme was first envisaged by TRAI in 2017 (Source: TRAI’s Performance Indicator Report) and the wireless networks of TSPs are adequately catering to the data service needs of consumers thus, the very relevance of the public Wi-Fi hotspots doesn’t exist anymore.





4. Thus, the PM-WANI scheme needs thorough assessment and a detailed study to examine its very relevance in present time.
5. Also, in case of PM-WANI, as on 28.01.2025¹, the number of Wi-Fi hotspots in Delhi i.e. 1,25,395 account for 45% out of total hotspots i.e. 2,77,647 deployed in the country. Out of these, 18.6% are deployed in New Delhi area, which is the urban arrangement in itself. Just a single fact that 45% of PM-WANI hotspots are in Delhi, a region with already high broadband penetration, in itself highlights a significant concern regarding the deployment focus and geographic equity. This clearly shows the gross mis-aligned deployment of Wi-Fi hotspots by the PDOs in commercial and urban areas whereas the scheme envisaged its deployment primarily in rural areas.
6. **Hence, considering all the above, we strongly urge that TRAI should recommend to the Government to conduct a detailed study on the very relevance of PM-WANI in today's scenario. It is our view that there is no need of PM-WANI in present scenario and the industry is serving the market well.**

B. Development/Changes in the Ecosystem post Introduction of PM-WANI Framework

1. This was first envisaged during 2016 when TRAI issued a consultation on “Proliferation of Broadband through Public Wi-Fi Networks” on 13.07.2016 and released the recommendations on 09.03.2017 for setting up of Public Data Offices (PDO).
2. Based on TRAI's recommendations, PM-WANI ecosystem was launched by the Government on 09.12.2020 to facilitate the rolling out of a Wi-Fi Access Network Interface (WANI) infrastructure in order to leverage public Wi-Fi network for delivery of broadband services.
3. Since then there have been significant developments in the market, which have influenced and substantially reduced the demand of broadband through public Wi-Fi networks. Some of these developments are mentioned in the following points:
 - a. **State-of-art Telecom Ecosystem:** The Indian telecom industry has built a robust and ubiquitous digital network and its infrastructure which connects lakhs of towns, districts and villages including deep rural interiors and hinterlands across the country, over the last decade, especially last 7-8 years. This digital network and infrastructure, entailing massive investments, is the backbone that delivers high quality data services and has also proved its resilience and scale during the Covid-19 times. The sector is a vital driver of the country's GDP and has contributed directly to the economy over the last decade by being the major enabler for the digital services across various sectors in the country.

¹ <https://pmwani.gov.in/wani>



- b. **Enhanced Mobile Connectivity:** With the widespread availability of 4G services in the country and rollout of 5G, there is ubiquitous coverage of 4G and 5G mobile networks as such, public at large now have access to fast and reliable mobile internet. This makes consumers to rely more on their mobile services for using data services and doesn't leave any need of availing data services through public Wi-Fi hotspots.
 - c. **Increase in wireless broadband users:** The wireless broadband users have increased from 322.21 million in 2016 to 927.86 million in 2024. This indicates that the TSPs' wireless broadband network, is able to cater to the need of consumers for using data services.
 - d. **Affordable Tariffs:** In India, the mobile data is available with convenient recharge options and at affordable prices, which are one of the cheapest across the world. For last many years, the industry is also providing x GB/day kind of data plans, which has further made the tariffs more affordable. Such affordability has reduced consumer's dependence on public Wi-Fi hotspots for availing data services, or for separately paying for consuming data service through such public Wi-Fi hotspots.
 - e. **Enhanced Mobile speeds**
 - i. In the past couple of years, India has made massive growth in the global mobile download speed, ranking at 23 globally for mobile internet speeds as of December 2024, as reported in the Speedtest Global Index². The country's median download speed stands at 103.75 mbps.
 - ii. As the difference in user experience over wireless v/s wireline broadband, is fast diminishing, with the evolved and advanced wireless technologies delivering enhanced data speeds, there is marginal use case left for availing data service through public Wi-Fi hotspots.
4. Given the availability of mobile broadband with good speed, ubiquitous coverage and affordable tariffs, the need of public Wi-Fi hotspots has diminished. As such, no policy steps are required to push deployment of such public Wi-Fi hotspots.

C. Rationale of Regulatory Intervention

1. The consultation paper mentions that:

3.4 In November 2022, DoT in its communication to TRAI, inter alia, stated that the proliferation is quite limited and much below the targets. It was cited that one of the

² <https://www.speedtest.net/global-index>



reasons for low proliferation of PM-Wani is the extremely high cost of backhaul internet connectivity charged by TSPs and ISPs from PDOs.

3.5 The DoT further added that in the name of commercial agreement, many times TSPs/ ISPs insist on PDOs to connect public Wi-Fi Access Points using expensive Internet Leased Line instead of the regular FTTH Broadband connection.

2. In this regard, we observe from the consultation paper (the instant one as well as the previous one dated 23.08.2024) that there are no substantive ground facts mentioned, which can elaborate on the extent of problem as well as various factors influencing the use-case.
3. In our view, following areas are important to be assessed in detail and put to consultative process, before concluding the consultative exercise viz.
 - a. Existing areas being served by the PDOs. Are these rural areas or urban/commercial areas.
 - b. Availability of FTTH at the area of interest of a PDO?
 - c. Bandwidth and number of users envisaged by PDO at a location where FTTH is required v/s ILL.
 - d. Factors influencing usage of Wi-Fi hotspots like Availability of Mobile coverage at serving locations.
 - e. Effect on quality of service and experience, upon shifting from leased lines to FTTH connection, given that FTTH connections are not meant for large no. of users or for commercial usage.
4. Further, the paper also mentions that DoT, vide its press release dated 09.12.2020, highlighted various economic, financial and other benefits of the PM-WANI scheme, such as:
 - (i) *It is expected that with Public Wi-Fi Broadband, the user experience and Quality of Service for Broadband will be improved significantly;*
 - (ii) *This service will be **especially useful in rural areas** where Public Wi-Fi Hotspots are also being created under BharatNet;*...
5. It is important to also assess and put to consultative exercise, that whether the above benefits have actually been delivered to the end users especially in rural areas. In the instant case, as on 28.01.2025³, the number of Wi-Fi hotspots in Delhi i.e. 1,25,395 account for 45% out of total hotspots i.e. 2,77,647 deployed in the country. Out of these, 18.6% are deployed in New Delhi area, which is the urban arrangement in itself.

³ <https://pmwani.gov.in/wani>



6. There is also no rationale given as to how FTTH would benefit the said PDOA providers in absence of which, it creates clear doubt that the PDOs want to serve the commercial and urban areas under a public welfare scheme.
7. We feel there is a need of getting a specific and independent survey cum assessment to examine the rationale of continuing with such scheme and/or need of giving any further policy benefits. The survey should also assess the need of public hotspots v/s their need being met through cellular networks.
8. Therefore, we urge that detailed assessment and survey of the rationale, factors influencing public Wi-Fi usage v/s cellular usage, and the utilization of such scheme in the areas envisaged, should be conducted and be put in the public domain for transparent consultations.

D. Regulatory Intervention through Price-caps

1. VIL has been a strong proponent of forbearance for tariffs. TRAI had prescribed Forbearance regime for tariffs through its 23rd amendment to Telecommunication Tariff Order (TTO), 1999 dated 06.09.2002 which is being practiced across the industry.
2. Regulating price caps would lead to reduction in competition, bring inefficiencies in the ecosystem and would discourage the stakeholders to further invest in infrastructure to expand or improve their FTTH networks. Allowing the TSPs/ISPs to define the tariffs helps them charge a fair price that reflects their operational costs and market demand.
3. The price caps would not only distort the competitive market equilibrium, but will also discourage businesses from differentiating their offerings based on value-add or efficiency. Instead of adding to sustainability in the ecosystem, such interventions may result in underfunded services and inefficiencies.

E. B2B Arrangements

1. TRAI, in its explanatory memorandum has acknowledged that it is pivotal to distinguish between these two services as they cater to different needs and are optimized for different types of usage. Using them interchangeably and applying regulatory price interventions in an interchanged scenario could create inefficiencies and potentially impact the quality of service for both PDOs and end users, while also causing regulatory distortion.
2. Further, given the contractual nature of arrangements in B2B tariffs, same have also been exempted from reporting by TRAI. Given the competition in the telecom market in India, the TSPs closely monitor the market and the evolving needs of the different segments of society, and design the best suited tariffs.



3. Allowing the TSPs to set their own B2B tariffs encourages competition in the sector to drive down prices and improve service quality, as the service providers would strive to offer the best value proposition to business customers.
4. Hence, the Authority should leave the B2B tariffs to market forces, as a flexible pricing model allows negotiations based on usage patterns, contract timelines, etc., thereby, benefiting both the parties.

F. Regulatory Impact Assessment

1. The proposed draft amendment will disturb the existing tariff structure, forbearance regime and also affect commercial interests of the TSPs/ISPs.
2. Considering the interests of different stakeholders, we request a detailed Regulatory Impact Assessment is carried out and shared under consultative process, before concluding the consultative exercise and taking a decision.

G. Bridging Digital Divide

1. The consultation paper mentions that Government has highlighted the following benefits of PM-WANI scheme:

3.3 In December 2020, the Department of Telecommunication (DoT), vide its press release dated 09.12.2020, highlighted various economic, financial and other benefits of the PM-WANI scheme, such as:

- (i) It is expected that with Public Wi-Fi Broadband, the user experience and Quality of Service for Broadband will be improved significantly;*
- (ii) This service will be especially useful in rural areas where Public Wi-Fi Hotspots are also being created under BharatNet;*

.....

2. User experience and Quality of Service for Broadband:

- a. As the TSPs are providing ubiquitous 4G/5G, there is no improved quality/experience which can be provided by these Wi-Fi hotspots. Further, providing these services over FTTH instead of leased lines, will degrade the experience/quality and consumer will not get benefitted.
- b. Thus, the benefits of the instant scheme are not relevant and contextual to the present market scenarios.



3. Usefulness of service in Rural Areas:

- a. The present deployment of hotspots (in urban areas/ Delhi, as mentioned above) shows that it is not aligned with the objective of serving the rural area.
- b. Handset affordability is one of the biggest barriers to access broadband services, especially in rural regions. The consumers, in such areas, have feature phones and are generally using older technology due to handset dependency and cost of shifting from feature phone to smartphone. It is important that the Government schemes should factor in this aspect, while designing public welfare schemes.
- c. To address the same, policy support is required for feature phone consumers to purchase smartphones. We believe that handset subsidies would play a key role in addressing this issue and will make a wider segment of the rural population access mobile broadband.
- d. **Recommendation:** We request the Authority to consider and recommend to Government, for coming out with a handset subsidy scheme for the feature phone consumers to migrate to smartphones, through their respective TSPs. This will help such consumers to start digital journey thereby, bridging the digital divide.

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