



1939, 9th MAIN, 27th CROSS, BANASHANKARI 2nd
Stage, BENGALURU - 560070
Phone: 6364928222
E-Mail : ccsbng@gmail.com
Website: ccsbng.org

8th March 2026

To,

Shri D Manoj,
Principal Advisor (Financial & Economic Analysis),
TRAI, New Delhi.

Sir,

Subject:- Counter Comments on Consultation Paper - Review of Tariff for Domestic Leased Circuits (DLCs)

We are a registered CAG of TRAI covering the state of Karnataka.

We are pleased to enclose our counter comments/suggestions on the above consultation paper.

Thanking you,
Yours Sincerely

GOPAL RATNAM V
Secretary
Consumer Care Society

Counter Comments on Consultation Paper - Review of Tariff for Domestic Leased Circuits (DLCs)

We offer our counter comments to the responses made by the Stakeholders.

A few TSPs like Reliance Jio Infocomm Limited has argued that tariff regulation for DLC services should be removed and replaced with a forbearance regime, While other like BSNL have mentioned that removing distance tariffs could lead to poor rural connectivity. We believe that Subscribers in all parts of the country should have access to good quality service at affordable rates.

Again on the issue of entry of ISP, there is divergence of views with both support and opposition expressed by the various stakeholders. Our view is that entry of more players should be allowed as there is scope for a market expansion and also with competition there would be innovation and more value for consumers.

Broadly our suggestions after reviewing the comments of the stakeholders is based on the following objectives for the the regulatory framework for DLC services. The framework should prioritize:

1. Competition

Competition among infrastructure providers helps reduce tariffs and improve service quality.

2. Transparency

Enterprise customers often face opaque pricing structures for leased circuits. Regulatory measures should encourage greater transparency in wholesale and enterprise tariffs.

3. Infrastructure Access

Open and non-discriminatory access to fiber infrastructure is essential for enabling smaller service providers to compete.

4. Rural Connectivity

Remote and low-density areas often have limited connectivity options. Regulatory mechanisms should ensure that infrastructure investment continues in such areas.

We have the following suggestions to make.

1. Permit Nationwide Participation in the DLC Market

Internet Service Providers should be permitted to provide Domestic Leased Circuits on a **nationwide basis**, subject to compliance with applicable technical and service quality requirements.

Restricting ISPs to specific geographic markets may reduce competition and discourage investment. Allowing broader participation will increase the number of infrastructure providers and improve connectivity options for enterprises and smaller service providers.

Stakeholder submissions from organizations such as the Internet Service Providers Association of India have highlighted the need for greater competition in transmission services, particularly to reduce wholesale bandwidth costs.

2. Transition Toward Bandwidth-Based Tariff Frameworks

The existing tariff structure for leased circuits was developed when transmission costs were strongly correlated with circuit distance.

However, modern fiber networks and packet-based technologies have significantly altered cost structures. Tariff frameworks should therefore gradually transition toward **bandwidth-based pricing models**, which more accurately reflect network economics.

Such an approach would also be consistent with the increasing use of high-capacity Ethernet and optical transmission technologies in enterprise connectivity.

3. Adopt a Hybrid Regulatory Model

A differentiated regulatory framework may be appropriate given varying levels of competition across the transmission market.

The following approach may be considered:

- **Forbearance in competitive markets** where multiple providers offer transmission infrastructure.
- **Targeted regulatory safeguards** in routes or regions where infrastructure competition is limited.

These safeguards could include tariff ceilings, cost transparency requirements, or monitoring of wholesale transmission pricing.

This hybrid model would allow pricing flexibility while preventing potential misuse of market power.

4. Promote Infrastructure Sharing and Open Access

Access to backbone fiber networks remains a critical factor in the competitiveness of the DLC market.

The regulator may consider encouraging:

- infrastructure sharing arrangements
- open access to national fiber networks

- non-discriminatory wholesale access to transmission infrastructure.

Such measures would help reduce entry barriers for smaller service providers and enable broader participation in enterprise connectivity markets.

5. Strengthen Connectivity in Rural and Underserved Areas

Ensuring connectivity in rural and remote areas remains an important policy objective.

Rather than imposing geographic restrictions on market entry, rural connectivity should be supported through targeted measures such as:

- infrastructure subsidies
- expansion of publicly funded fiber networks
- streamlined right-of-way processes
- incentives for network deployment in underserved regions.

These measures would improve connectivity without distorting competition in the broader transmission market.

GOPAL RATNAM V
Secretary
Consumer Care Society