

Dated : Jan 29 ,2009

Telecom Regulatory Authority of India

Kind Attn : Sh. S.K.Gupta (CN)

Sub : Response to consultation paper on Bandwidth required for ISPs for better connectivity and improved quality of service

Issues for Consultation :

3.1 In order to ensure sufficient bandwidth for good quality broadband service , should some “Thumb Rule “ for maximum contention ratio be fixed for dial up , broadband , high bandwidth services & leased line internet access? If so, what should be the values for different Internet services :

Hathway currently offers internet broadband services. We feel before the regulator recommends for contention ratio , a thorough evaluation process is done for a business case to recommend the same considering the issues which needs to be addressed such as ...

Internet Bandwidth...Currently only VSNL & Bharti are the two service providers which can provide restorable internet services to stand alone isps like Hathway. Although regulator has allowed other international carriers to provide internet bandwidth using the fiber landing stations of VSNL & Bharti but the same has not translated in a cheaper alternate to Hathway. Therefore the cost of bandwidth still remains a issue unaddressed.

ARPU / Cost of Infrastructure / Customer Acquisition...The incumbent operators have well laid out network infrastructure, customers and therefore capital requirement is to the extent of some upgrades with no customer acquisition cost. This results in attractive subscription offerings considering the scale of operations as n/w being in place.

Incase of stand alone isps like Hathway , although the cable n/w is available the cost of upgrade to provide broadband is significantly high , which also takes time and therefore achieving scale of operations takes time.

Also due to competition from incumbent operators our subscription offering has to be same and therefore at no time we are able to generate sufficient free cash flows to support cost of infrastructure / upgrades after considering the opex such as bandwidth / manpower / admin etc.

3.2 Will defining contention ratio likely to impact prevailing Internet / Broadband packages to access Internet ? Give your suggestions with justifications?

As mentioned in 3.1 , if above issues remain unaddressed then the regulator should leave it to market forces to decide as mandated contention ratio would not be in interest of stand alone isps.

3.3 Any other suggestion to improve quality of internet / Broadband access to end users?

- a. Regulator to initiate better customer education on internet / protocols
- b. Regulator to facilitate better international peering by our service providers part of cable consortium
- c. Regulator to mandate interconnect of NIXI's
- d. Regulator to initiate mirroring of most visited content from India in India
- e. Regulator to facilitate reduced duties /taxes for broadband infrastructure and services

Yours truly,

For Hathway Cable & Datacom Pvt Ltd...