

Date: 6th September, 2024

Shri Amit Sharma,
Advisor (F & EA),
Telecom Regulatory Authority of India,
New Delhi

Subject: BIF's comments on "DRAFT-THE TELECOMMUNICATION TARIFF (SEVENTIETH AMENDMENT) ORDER, 2024" (Draft TTO) dated 23 August 2024

Dear Sir,

BIF submits that it fully concurs with the Tariff for PM-Wani scheme as proposed in the Draft TTO i.e. Tariff for Public Data Office under PM-Wani scheme shall be same as is applicable for retail broadband (FTTH) connection.

The PM-Wani initiative aims to create a public Wi-Fi network infrastructure across the country, allowing users to access Wi-Fi services easily and in truly affordable manner. PM-Wani is unique as it provides much needed broadband connectivity to users on pay as you go basis, in a seamless manner across various hotspots registered under PM-Wani scheme. The PM-Wani initiative is aimed to create new employment opportunities for small entrepreneurs and increase the overall digital connectivity in the country.

BIF has been working relentlessly for enhancing and increasing awareness about the PM-Wani ecosystem not only since its inception in 2020, but ever since the conceptualization of the WANI architecture happened in 2016/17 for the first time in TRAI.

A key deterrent to PM-Wani public WiFi, for last 4 years, has been unreasonable and exorbitant internet connectivity tariffs for Public Data Office (PDO). An intervention in tariffs for broadband connectivity to PDOs is definitely required and the unduly high tariffs must be brought down to a reasonable and comparable level of tariffs of same service being provided by TSPs/ISPs for FTTH. This will help remove a major roadblock and enable PDOs and PDOAs to offer affordable internet services to the common man.

The PDO Booklet ¹ issued by DoT for prospective PDOs on <https://pmwani.gov.in/wani> i.e. PM-Wani Central Registry website, provides business model for a PDO. It mentions typical annual broadband cost for PDO as Rs.6000/-. However, there is a huge price difference in broadband connectivity cost, which is between Rs. 4 lakhs - Rs. 8 lakhs annually being asked from PDOs, and Rs.6000/- annually as mentioned in DoT's PDO booklet.

PDOs have been compared with PCOs in the policy making but in case of PCOs there was no concept of leased line or commercial rate or any extortionate charges, it was an ordinary phone line on which PCOs were operating. This is the key reason that while one could see proliferation of PCO business as its costs were in line with the model, in case of PDOs the costs demanded are multiple times exorbitant than the business model which a shopkeeper could generate from PM-Wani. **The ILL connectivity is not required by PDO for PM-Wani.**

This artificially created barrier of ILL connectivity having extra-ordinarily high tariffs has resulted in a very anomalous situation, where on one hand the PM-Wani scheme has been made for small shopkeepers to grow their business and help generate employment and on the other hand the respective internet connectivity cost, which is the most essential input item, has been pegged at unrealistically high levels, causing stifling of both PM Wani Public WiFi service and PM Wani Public WiFi Service Providers.

The Explanatory Memorandum mentions that even DoT has communicated to TRAI 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 regular FTTH Broadband connection.

Explanatory Memorandum to the Draft TTO further notes that a comparison of 100 Mbps of Internet leased line tariff vis-à-vis 100 Mbps of FTTH broadband connection shows that the annual tariffs for Internet leased line are 40 to 80 times higher than a retail connection. We agree to the reasoning that PDOs, specifically the small scale PDOs viz. small establishment, local shops/ retailers, chaiwalas, kiranawalas, storekeepers etc., generally having low revenue potential, neither need an ILL connection nor they can afford high backhaul rates which are applicable for large commercial entities. **The PDOs cannot be forced to buy internet connectivity at such high costs.**

It is apparent that with OPEX on ILL connectivity running into Rs. 4 to 8 lakhs per year for one connection, it may be more than overall revenues of many such shop keepers from their main line of business.

A consistent and clear framework is fundamental for PM-Wani scheme, especially when the scheme is democratised encouraging small entrepreneurs to participate. However, the extortionate tariff for PDOs for broadband connection ranging from Rs.4lakhs to Rs.8lakhs per year, for a forced ILL connectivity that is not needed in the given scheme, has discouraged small entrepreneurs to become PDOs as there is no viability of the business. This has also led to confusion and uncertainty amongst potential PDOs and PDOAs and thereby resulted in a poor uptake of the scheme. It has resulted in financial losses to many small entrepreneurs, who ventured as PDO or PDOAs, many of whom were forced to exit the PM-WANI business.

The proposed Tariff in the Draft TTO, will instil confidence in PM-Wani initiative. Even though almost 4 valuable years have been lost, a Tariff rationalisation under the Tariff Order of TRAI shall greatly help in revival of this much needed initiative, and help achieve National Goal of "Broadband for All" and will be an enabler to achieve "Viksit Bharat" objectives.

The Explanatory Memorandum states that for Digital India 2030 mobile and broadband policy objectives, the **Bharat 6G Vision sets the goal of 50 million WiFi hotspots by 2030. For the same to be achieved, all the drivers for its proliferation must be aligned to the national objective and, therefore, must fall in line with the PM-Wani's model. The key driver is the cost of broadband connectivity to the PDO and if that cost is exorbitant and unrealistic then no progress can be made.**

The rebuilding of PM WANI awareness and onboarding of PDOs would take some time, and importantly, re-instilling confidence among PDOs and the public in general would require a consistent and long-term arrangement, it is recommended that the proposed arrangement for the PM WANI scheme should be reviewed after 3 years rather than 2 years as mentioned in the Explanatory Note.

The rationalisation in tariffs, as mentioned in the Draft TTO, **will directly benefit the public, especially in areas where access to quality fixed broadband is either limited or unavailable. By making public Wi-Fi more affordable, this can significantly help expand internet access to underserved communities, thereby helping in bridging the digital divide. This will help unlocking new opportunities for both PDOs and the communities they serve.**

A scheme like PM-Wani, with the tariffs as mentioned in the Draft TTO, is much needed for security purposes too. PM-Wani ensures that users do their one-time KYC (mobile verification) and it allows setting up preferences for MAC-IDs for various accessing devices and payment methods. This way the security aspects as to identity of user are met. In absence of scheme like PM-Wani, the security is being compromised by multiple sharing of WiFi password of a broadband connection in places like private study centres, tuition classes, restaurants etc. These are neither enterprise connections nor commercial connections and the users are third parties.

PM-Wani and the respective Tariffs for PDOs, as mentioned in the Draft TTO, are a big opportunity for TSPs and ISPs for their revenue growth and as catalyst for FTTH and 5G growth.

In conclusion, we would like to submit that the Tariff mentioned in the Draft TTO is essential to the PM Wani scheme to the extent that it is like oxygen for the scheme and for overall objectives of Bharat 6G Vision. The said tariff will be in similar range of the typical broadband tariff of Rs. 6000 per annum as indicated by DoT in the aforesaid PDO booklet which will instil confidence in small entrepreneurs in the overall framework resulting in their participation in PM-Wani scheme.

We earnestly thank TRAI for having come out with this Draft TTO and request TRAI to issue the TTO at the earliest.

Thanking you.

With Best Regards,



T.V. Ramachandran,
President,
Broadband India Forum.