



COMMENTS ON TRAI'S CONSULTATION PAPER ON DIFFERENTIAL PRICING FOR DATA SERVICES

Question 1: Should the TSPs be allowed to have differential pricing for data usage for accessing different websites, applications or platforms?

TSPs should not be allowed to have differential pricing for data usage for accessing different websites, applications or platforms. This is because:

Differential pricing, means fragmenting of Internet based on content. Fragmenting Internet means somebody taking control of the internet, other than the user. Somebody taking control of internet other than the user means, the user giving up its rights to privacy and also using a restrictive internet, a service more or less seen equivalent to public utilities like water, electricity and air.

The differential pricing enables the TSPs to become gate-keepers for our internet services and they will then be able to differentiate between our data packets. The principle of net neutrality clearly prohibits any blocking, differentiation or prioritisation of data packets based on their type. Once differential tariffs for contents would be in place, the principles of net neutrality will no longer be valid. Zero Rating plans, which are based on differentiation of data packets, have portrayed themselves as subsidizing the cost of accessing internet. It is however important to highlight that subsidization is also a way of differentiation. It shall distort the equilibrium internet enjoys today, where everybody has an unrestricted access and also have equal opportunities.

The Zero Rating platforms have also claimed themselves to be open for all. It is imperative to question on who made them the owners of this vital utility of the modern world. The Zero Rating platforms are also propagandising their services to be for good cause, as providing internet access to the digitally excluded. One should remember that initiatives like "Digital India" are not planned for infinity. Digital inclusion shall be accomplished in few years, but if the internet forced into fragmentation now, due to differential access and pricing, this will become a practice forever. Once established, it would be impossible to turn back to the older days of unrestricted internet access.

Considering the situation in India, affordability is the biggest hurdle in internet adoption followed by literacy and others. India mobile service tariffs, pertaining to data as well as voice, may be lowest in the world but they are still unaffordable to many in the country. In a cost sensitive country like India, breaking the internet into smaller modules, with each module demanding different price, shall not only make the internet adoption complicated but may also result in increase in prices for services. India is already struggling with the operators not providing complete set of information for the mobile services and plans, imagine a scenario where access to individual site/apps/services would have a differential price. The internet is a network of infinite websites/services and it would be virtually impossible to have a price chart for all of them. Consolidated Internet charge for unrestricted internet access has been the best way and shall remain the best way in future.

Another question to be pondered over is, when all the content on internet is unrestrictive, why would some content provider cling on to Zero Rating or differential pricing plans? The reason is simple, for more visibility and hence more revenues. This shall enrol themselves to such platforms (which may have financial implications), which will provide subsidized access to their services, which will make certain services cheaper than the services offered by its competitors.

The success of Facebook, Google, or several Indian startups is a result of open nature of internet that permitted innovation without any entry barriers. Startups need to be nurtured and not thrown out to deep-pocketed incumbents. If this happens all startups are certain to fail and so would the innovation prospects of India.

There are possibilities of the incumbents adopting anti-competitive practices by restricting entry of new players in the market through cheaper access to their services. All that is required is to enable internet adoption is bolstering out infrastructure, digital literacy and the showcasing the benefits of being online. To successfully execute Digital India initiative, it needs intervention of the Government and Public-Private Partnership and not walled gardens or differential access on internet.

Question 2: If differential pricing for data usage is permitted, what measures should be adopted to ensure that the principles of non-discrimination, transparency, affordable internet access, competition and market entry and innovation are addressed?

Ok, firstly this shouldn't be approved. Even if somehow this comes through, it is essential for all content/service providers to get exactly the same opportunity. Consider one TSP or a content provider offering Zero Rating plans, for which they say the platform is open for all "satisfying minimum specifications". Firstly, if the platform is open for all, why are there minimum specifications in place? It automatically rules out some players from the getting on these platforms. This makes it subjective entry point and hand overs complete control of the internet to the platform owner, which is not desirable. Rather it should really be "open" where all content providers/apps would be able to enrol freely, irrespective of their attributes. Then all service/content/apps would remain available on such platforms, like in the present day, and the internet would thus stay intact. More importantly, the users would have all choices available and the platform, in itself, would not be able to restrict consumer's choice. This means that x, y and z content providers may have differential prices applicable but the choice of accessing either shall be on consumer's discretion and not dictated by the platform owners.

Another important aspect of such platforms, that needs mention, is the association with one TSP with each platform. If the platform introduced by a content provider was indeed meant for enhanced internet uptake, why was it restricted to one single TSP? It should be available across all platforms/TSPs. Why does one need to switch to a particular service provider to avail a platform meant for a noble cause? Hence, if the differential prices were at all permitted, each and every platform should be associated with each and every TSP as well. E.g. I am on "A" service provider, why do I need to switch to "B" to avail the platform? How does it help the already mobile empowered yet digitally excluded strata of population?

Differential pricing, in itself goes against the principles of TRAI: Non-discriminatory, transparency, not anti-competitive, non-predatory, non-ambiguous, and not misleading. However, since the question talks about a hypothetical situation, the differential plans might offer an affordable internet for a short-short time, but it will do a permanent damage to internet services, competition, market entry and innovation. The only way differential pricing may have the least negative impact would be handling the freedom of choice in consumer's hand and not the Content-provider/TSP.

Question 3. Are there alternative methods/technologies/business models, other than differentiated tariff plans, available to achieve the objective of providing free internet access to the consumers? If yes, please suggest/describe these methods/technologies/business models. Also, describe the potential benefits and disadvantages associated with such methods/technologies/business models?

Differential tariff plan doesn't seem to have any alternative model, as any differential access of

internet, is ought to violate principles of net neutrality. The internet is in the perfect form right now and there is no need for any alteration. Why fix something this is not broken? Differential pricing doesn't even offer a slightest upgrade to existing services then why should it be even considered for implementation.

Providing free internet is essential to bring the excluded on board, but if the corporates are so keen in philanthropy, they should rather be providing free and unrestricted internet packs rather than providing internet which limits access to their services and the services they deem worthy to reach consumers. They could do so as part of their Corporate Social Responsibility and the Companies Act could be revised to include such services as CSR activities. Bangladesh offers 20 MB of free data to consumers. Rest the two alternatives suggested in the consultation may also be adopted if the corporates are so keen to end digital exclusion.

If the idea is to be really noble, the TSPs and content providers should team up with the government to strengthen the existing infrastructure. The Government already has plans to provide free WiFi at certain places (community hotspots), wouldn't it really help if, rather than building Zero Rating Platforms, the TSPs or Content providers lend a hand to the government and take the initiative forward. Further, if need be, there could be other possible legitimate business models that can be developed without violating principles of net neutrality, such as subsidy mechanisms (provide free internet coupons to consumers, who will have their own choice to select which apps/websites to use); Time based model (operators can offer hourly or daily passes for accessing its Wifi Network); Free Models (service provider can offer service for public locations i.e. bus/train stations, hotel, airports, etc that wants to provide free access to its customers), etc.

The basis of any model, relating to internet access, is that it should be unrestrictive. Even if differential pricing was the only option, it should be based on free consumer choice in totality. There should be no discrimination at TSP/Content-provider's end. We do not require gatekeepers, as we as internet users know which gate to open ourselves. For those who are yet to taste internet, even they won't take too long in understanding it either.

Question-4: Is there any other issue that should be considered in the present consultation on differential pricing for data services?

The consultation doesn't talk about Big Data. For the differential tariff or Zero rating plans, there is associated high risk on consumer's privacy. Since these platforms would be acting gatekeepers, they would be able to get hold of sensitive information of the consumers. With TSPs/Content-providers holding sensitive consumer data, it all boils down to ethics. If ethics are violated, this has the power to bring down, not just a consumer but the entire nation. Also, the consultation doesn't talk about the role of the TSPs associated with the Content-provider's platform.

The TSPs have always been against net-neutrality and even for slightest financial implications on them, imposed by TRAI or DoT, they have cried aloud on their meagre revenues. Providing so called "free access" to internet also has financial implications on TSP, then how does that not impact their balance sheet, is an issue that warrants a response from the TSP. There is one more issue that should be considered in the consultation. Very recently, Facebook has been encouraging its users to send a standard response on the click of a button to TRAI, in support of Free Basics. However, it has been reported that this mechanism can be misleading. Facebook's move has been criticised on the ground that it might be resulting in people supporting Free Basics without realising the implications for net neutrality. Hence, the volume of submissions in support of Free Basics should be assessed by TRAI with prudence.
