

BIF Press Release

Telcos' Baseless Demand for "Fair Share" of Revenues from LTGs & Objection to TRAI QoS Regulations - "Familiar Tactics, New Disguise"

New Delhi, August 24, 2024: In response to a [report](#) on Telco companies' claim for a 'fair share' of revenue from so-called Large Traffic Generators (LTGs), BIF has dismissed the Telcos' approach as unfounded, disingenuous and self-serving. Furthermore, BIF contends that the Telcos' claims about overly stringent Quality of Service norms, particularly in light of Right of Way and emission issues, appear to be mere pretexts designed to disadvantage consumers rather than address genuine concerns. BIF gave the following arguments to support their position:

Telcos' Anti-Consumer Proposals

The so-called LTGs are not responsible for generating the traffic. The traffic is generated on the requests of customers of Telcos who are paying consideration for respective data usage to Telcos as per the tariffs for their data services. The telecom operators set their consumer and enterprise tariffs and pricing models (which include usage limits, bandwidth and data speeds) that account for their operational and capital expenditures.

BIF highlights that Telcos' proposal raises concerns about monopolistic practices and potential harm to consumers. By seeking additional revenue streams rather than focusing on innovation and improving service quality, Telcos are prioritizing their market power over consumer interests. This behaviour highlights a lack of competition in the Indian telecom sector, putting consumers at risk of being deprived of the benefits of technological advancements. As evidenced by the negative impact on consumers in South Korea, the only country where this proposal has been implemented, it is crucial to summarily dismiss such proposals considering the potential grave consequences of such measures.

Malicious attempt to circumvent QoS Standards

Telcos' claim that the current Quality of Service (QoS) norms set by TRAI are "too stringent" is misleading and incorrect. TRAI's regulations have established clear benchmarks that ensure a basic level of service that consumers deserve. These benchmarks include specific norms on call setup success rates, dropped call rates, and data packet loss rates. The argument that these QoS norms are driving up costs is a diversion from the reality that Telcos are failing to optimize their existing resources and infrastructure. The basic standard of service is achievable with proper network management and without unfairly trying to pass additional burdens on third parties.

Unfounded Demand for Infrastructure Cost Sharing

Telcos' claim that additional network infrastructure was necessitated solely by high traffic generated by LTGs is misleading. LTGs were NOT involved in network planning or vendor selection, nor was there any prior agreement to share infrastructure costs. By demanding compensation at this stage, telcos are essentially attempting to retroactively impose costs, a practice that is patently illegal.

Net Neutrality Under Attack

Telcos' proposal violates the principles of net neutrality enshrined in Indian law.

By attempting to pass on network maintenance and expansion costs to unrelated third parties, Telcos are engaging in illegal behaviour. If left unchecked, this could lead to a chaotic situation where even data users, who generate traffic and demand services, feel entitled to demand revenue sharing from Telcos.

TV Ramachandran, President, BIF, says, “The proposal by telcos is a continued attempt to mislead their own customers and the general public by creating untenable arguments for unacceptable quality and trying to impose additional financial burdens on other sectors while masking the inefficiencies and monopolistic behaviour within the telecom industry itself. These moves, if allowed, will ultimately harm consumers, stifle competition, and hinder the growth of the digital ecosystem in India”.

About Broadband India Forum: Broadband India Forum (BIF) is an independent policy forum and knowledge-based think-tank that works for the development and enhancement of the entire broadband & broadcasting ecosystem in a holistic, technology- neutral and service-neutral manner. BIF has established itself as a thought leader and a credible and effective voice, to help propel the nation to achieve the country's ambitious vision of creating a Digital India. To achieve this, BIF works to promote the rapid development of policies, so as to facilitate affordable and high-speed ubiquitous broadband throughout the country.