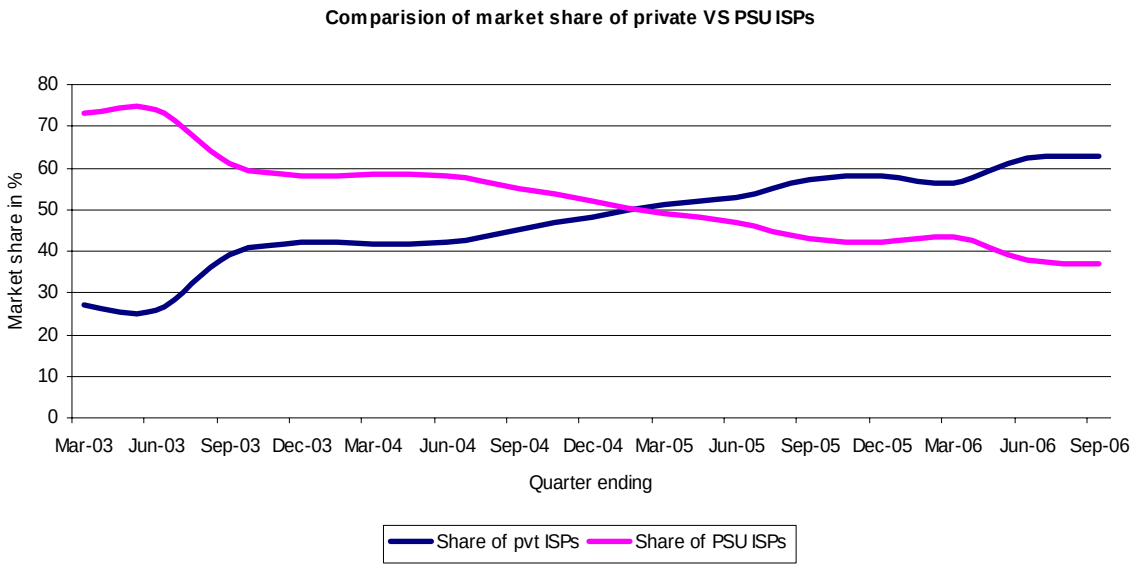
Response to Consultation Paper on "Review of Internet Services

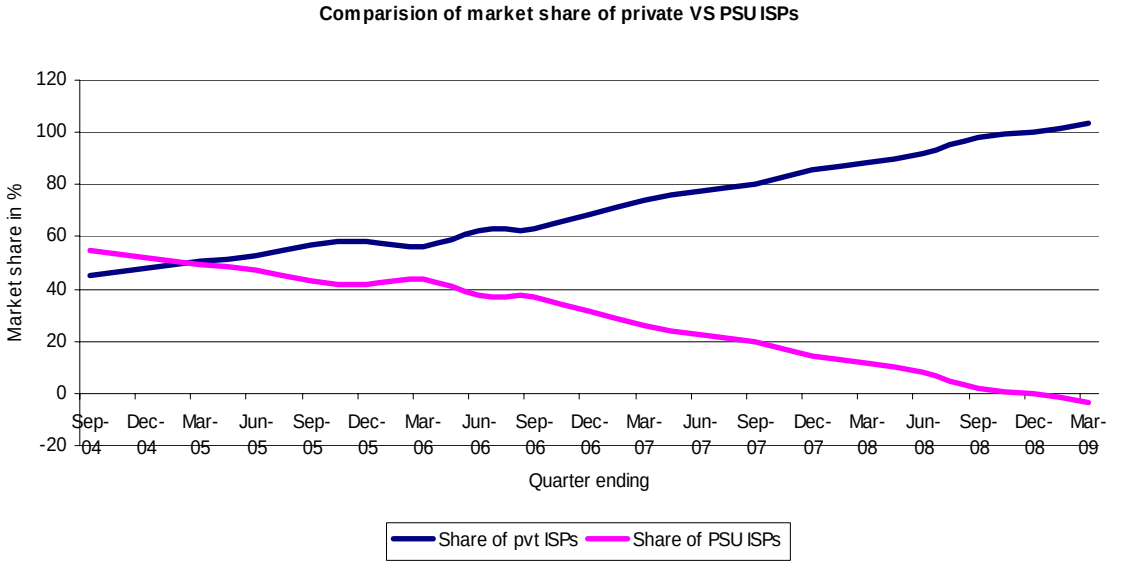
We welcome this proactive and forward looking initiative taken by your good office and feel that this is an opportune moment to discuss and decide concrete measures to revitalize the Internet sector in India. At a time when the year 2007 is being touted as the year of Broadband**,** sluggish growth in subscriber numbers of most ISPs is casting a serious shadow on the targets that have been fixed in the Broadband Policy 2004.

The drafting of ISP license dates back to almost 9 years and unlike some other licenses, revision and / or amendments to the ISP license have been less frequent than some other licenses. As such, most of the early licensees including us have already spent their respective "half-lives". As usual, the march of technological development has outpaced the liberalization process. We strongly agree with the Authority that the time has come when we need to look at the Internet services from a whole new perspective. A pressing need is being felt both by the regulator as well as the serious players that the license conditions of the ISP license needs major revision / modification to level the scope of the license at par with the technological developments. Inherent limitations imposed by the license conditions have seriously stunted growth of affordable services including but not limited to IP telephony. While it is necessary to review the scope of the ISP license, we do realize and assert that the issue of level playing field of other licenses should also be duly considered.

Dial-up Internet access which was the predominant technology for Internet access is slowly loosing ground due to migration of dial-up users to high speed broadband services. It is interesting to note that most of the dial-up users who already have a last mile from an access provider choose to have a broadband connection from the same access provider while migrating from a dial-up to a broadband connection. The access provider conveniently 'bundles' the Internet access tariff with the voice tariff. As a result, the private ISP who was earlier earning some paltry revenue for providing Internet access now moves entirely out of the picture. The result of this practice is clearly depicted in the graph below which is drawn from figures obtained from the quarterly performance indicator reports published by the Authority.



While broadband users are quite enthusiastic with the idea of being upgraded to 2 Mbps at no extra cost, the increasing dominance of the PSU ISPs in the Internet access market should be a major regulatory concern. Taking the growth rate of the **last three quarters** and a simple projection using a linear growth curve shows that by **March 2009**, the Internet market in India may go back to what it was in 15th August 1995: **A perfectly monopolistic market.**



The cited observation quite naturally raises a question whether private ISPs are operating optimally or the PSU ISPs have identified some strong growth drivers or some specific killer application that is fuelling their unbelievable growth. Even if we aside keep cross subsidization and other potential anti-competitive measures that the Integrated PSUs have been resorting to, their sheer economy

of scale brought about by their massive infrastructure cannot be ignored at any cost. Such economies of scale and the resultant decrease in Internet access tariff has remained a distant dream for standalone ISPs.

Q1. At present, there are 389 licensed ISPs out of which only 135 are offering Internet services. Top 20 ISPs cater to 98% Internet subscriber base. In your view, is there a rational for such a large number of ISPs who are neither contributing to the growth of Internet nor bringing in competition in the sector? Suggest appropriate measures to revamp the Internet service sector.

In 1998, when the Internet access market was liberalized in India, all necessary steps were taken to encourage rapid growth of Internet by adopting a light touch regulatory approach. Entry barriers were purposely kept low along with little roll-out obligations which were in line with International practices of numerous countries. Perhaps because of this light touch approach, many ISPs who are now serious players in the Internet market saw enough incentive to obtain an ISP license and roll out services.

Sify, being the first private player to obtain an ISP license have trodden the path from the very beginning and has witnessed the roller coaster ride. Like all other licenses, the ISP license too has undergone major modifications / amendments from time to time as and when necessitated by changing market dynamics and other regulatory catalysts. We feel time has come that the scope of the Internet license be reviewed once again keeping in mind the current market scenario. More than 8 years have passed since the liberalization of the Internet sector and most ISP licensees have got enough opportunity to assess the market and their own revenue generation potential. We believe that by now most ISPs have / should have established their business cases and planned their expansion and service deployment accordingly.

Going by the subscriber growth figures published by the Authority, a picture is portrayed that is in stark contrast of the above. Subscriber numbers of most ISPs are either declining or dwindling at very low numbers which is not at all sufficient to provide any sustainable business case for these ISPs. The question that apparently comes is why these ISPs are holding on to these licenses when they have no plans of instilling renewed efforts for revival of their ISP business. The answer is perhaps the exit barrier which, even after being lowered is sufficiently high for cash starved ISPs to consider submitting their licenses. The other case is the low license fee of Re 1 which is enabling non serious ISPs to retain their licenses even if they do not have serious business plans.

The Internet sector today needs to be revived and we believe that this revival process can primarily be achieved in two steps:

First, ISPs who are no longer willing to stay in the ISP business should be given an easy exit route so that they can submit their licenses. For this, an appropriate time frame may be determined such as 31st December 2008, till when ISP licensees may surrender their licenses with very little or no financial penalty.

Second, after the determined time frame, some additional obligations should be put on serious ISPs while at the same time the scope of the ISP license should be widened to include new value added services which may form the source of new revenue streams for serious ISPs and enable them to get a solid foot-hold.

In addition to the above, few additional but equally important measures that can revive the Internet sector are being listed below:

- The ISP license should be consolidated and Class B and C licenses should be done away with. Existing Class B and C licensees should be given adequate time frame not less than 12 months to migrate to a Class A license. The obligations of Class A license should be increased in proportion to the increase in the scope of the license which will ensure that those fulfilling the additional obligations of the Class A license are serious enough and capable of withstanding the additional financial burden. We have deliberated on the increased scope of the ISP license and also the review of obligations, later in this response.

- Mandate unbundling of local loops. This is a long standing issue and without access to last mile, ubiquitous Internet access may never be realized.

- Technological advancements have led to development of standardized wireless access technologies such as Wimax and Wifi. Adequate spectrum allocation for use of these technologies should be expedited as ISPs are increasingly being dependent on wireless last mile access.

- Appropriate and significant fiscal incentives for infrastructure equipments used by ISPs.

- Immediate steps to eliminate anti-competitive measures often demonstrated by operators having significant market power in National and International leased line market.

Q2. Due to limited availability of spectrum for wireless broadband access, and high cost of creating last mile infrastructure, many ISPs are left with only option to provide Internet dialup access services. With increasing

penetration of broadband, what efforts are required to ensure viability of such ISPs in changing scenario? Please give suggestions.

As pointed out earlier, dial-up access has been steadily decreasing due to migration of dial-up subscribers to broadband access. But even today around 50% of the total Internet access is through dial-up in India. This should not be surprising at all because even in a developed nation like UK, 30% of the total Internet connection was through dial up till March 2006 (http://www.statistics.gov.uk/pdfdir/inco1106.pdf). Even in a developing nation like China, only 58% of the total Internet users were on broadband platform while the rest 44% (approximately 5544000 users) are on traditional access like dial-up (http://www.internetworldstats.com/asia.htm#jp). Therefore, we strongly feel that it is not yet time to ignore dial-up and be over optimistic about broadband technologies. Some additional reasons why we feel dial-up still has a major role to play in augmenting Internet penetration are:

- Broadband technologies like DSL have serious limitations on distance and this limitation only aggravates further in a country like India which has extremely wide geographic spread.

- There are about 40 million copper loops in this country but only a small fraction of the same is capable of supporting high speed data services.

- Bridging the last mile gap using wireless access technologies has been possible only to a very limited extent while deployment of standardized wireless technologies such as Wimax is only limited to test beds of some operators due to non availability of suitable spectrum for these technologies.

- Demand for broadband and high speed Internet access is mostly limited to metros and some prominent cities and towns. Applications like IPTV, video conferencing, IP Telephony, multimedia broadcasts that require high bandwidth are only in demand in metros and prominent cities and hardly have any relevance for the rural Internet subscriber. A rural Internet user shall be interested in writing mails, checking weather updates etc, for which even a dial-up is sufficient.

While we will be very happy seeing broadband achieving higher penetration in rural areas but till that happens we have to support dial-up with proactive and enabling policies.

From time to time we have made representations to you good offices about various road blocks that standalone ISPs like ourselves, face while providing dial-up access. We take this opportunity to reiterate these impediments.

Serious thought needs to be given on these problems so that ISPs who are still serious in providing dial-up access to the marginal subscribers may continue to do so.

- ISPs have problems getting uniform access numbers and are unable to provide roaming accounts.

- Access providers are able to bundle Internet access with voice services using CLI based dial up access wherein the subscriber does not need an Internet dial-up account from a separate ISP. Stand alone ISPs are not able to offer the same facility which requires co-location. Technical requirements for the same including terms for co-location of ISPs hardware need to be enforced.

- Rather than charging on a 'per-pulse' basis, the access provider should allow Internet access on some flat rate. Presently access charges are different in different time of the day and also vary by different circles. Instead of the above, a flat monthly access charge will simplify Internet access for the subscriber and also make the same more affordable.

Q3. At present limited services are permitted under ISP licenses. There is no clarity in terms of some services whether they can be provided under ISP licenses. Do you feel that scope of services which can be provided under ISPs licenses need to be broadened to cover new services and content? Suggest changes you feel necessary in this regard.

We strongly agree with the Authority's observation that the scope of the ISP license needs to be reviewed immediately, keeping in mind the technological developments which will enable ISPs to offer various value added services. There are many new services and technologies that the ISPs are in a position to offe,r resulting in a wider choice for subscribers. Internet Telephony is one such technology.

Following the recommendation made by your good office, Internet Telephony was allowed to ISPs with effect from 1st April 2002, albeit in a restricted form. The restrictions on this user friendly service was primarily put so that revenues of facility based operators who have made significant investments may be protected and they get a fair amount of time to realize appropriate returns on their investment. This was a well thought and implemented policy and we agree that such measures were necessary to ensure a level playing field between ISPs who had significantly lesser regulatory burden than facility based operators offering voice services on TDM technology.

Today after five years, we feel such restrictions on Internet Telephony have not only become redundant but is proving to be serious road blocks. We strongly feel that it is time to seriously consider and remove these restrictions so that at least ISPs may start offering unrestricted Internet Telephony legally which, till now, is either unavailable or available illegally. Some of the reasons that call for elimination of the restrictions are being listed below:

- We feel five years is a time sufficient enough to recover substantial costs invested in setting up TDM infrastructure by facility based operators and there is no reason why unrestricted Internet telephony shall remain only in their exclusive domain.

- Explosive growth in mobile telephony has enabled UASLs / CMTS licensees to attain huge economies of scale result of which can be seen as the lowest tariffs in the world. Under these circumstances, the difference in the cost of a call made on TDM and IP is very little and is further decreasing.

- Issue of level playing field has been further addressed already when ISPs have started paying license fee as percentage of AGR.

- Unrestricted Internet telephony has been allowed to USAL and CMTS licensees none of whom have started service. As a result the end subscribers are being denied of a cheap and user friendly service.

The relevant extract of the ISP license with Internet Telephony is being reproduced below:

"1.14 INTERNET TELEPHONY SERVICE.

1.14.1 Internet Telephony is a service to process and carry voice signals offered through public Internet by use of Personal Computer (PC) or IP based Customer Premises Equipments (CPE) connecting the following :

(a) PC to PC ; within or outside India
(b) PC in India to Telephone outside India
(c) IP based H.323/SIP Terminals connected directly to ISP nodes to similar Terminals; within or outside India.

1.14.2 Internet Telephony is a different service in its scope, nature and kind from real time voice service as offered by other licensed operators like BSO CMSO, NLDO, ILDO and PMRTS.

1.14.3 Except whatever is described in condtions 1.14.1 and 1.14.2 herein above, no other form of Internet Telephony is permitted.

1.14.4. Addressing scheme for Internet telephony shall only conform to IP addressing Scheme of Internet Assigned Number Authority (IANA) exclusive of National numbering Scheme / plan applicable to subscribers of Basic/cellular telephone Service."

To allow unrestricted Internet Telephony to ISPs, some of the above stated clauses need to be amended and / or deleted. Following are some of the changes that we propose:

I. The phrase **"public Internet"** should be removed from the definition of Internet Telephony. As mentioned in paragraph 3.2.4 of the instant consultation paper, difference in voice quality of calls made on a managed and an unmanaged network is not significant anymore. Under such conditions, restricting ISPs to offer Internet Telephony only through unmanaged network does not make logical sense. ISPs are now in a position to offer good voice quality (though it will be not equivalent to toll quality); better security and routing of voice calls made though managed MPLS networks. It will be prudent both in the interest of the subscribers as well as ISPs to allow routing of voice calls through managed networks also.

II. Sub clause (a), (b) and (c) of clause 1.14.1 should be modified and relevant clauses should be added so that the following form of Internet telephony falls within the inherent scope of the ITSP license in addition to what is already allowed:
    a. Voice calls originating from a PC and terminating on the PSTN of India or abroad.
    b. Voice calls originating from any IP based device and terminating on the PSTN of India or abroad.
    c. Voice calls originating from a PSTN phone within India or abroad and terminating on an IP based devise provided by licensed service providers in India including ISP /UASL / CMTS licensees.

    The present clause 1.14.1 (c) explicitly mentions **SIP/H.323 terminals.** Such restrictions should be replaced by "**any IP devise"** so that the license does not remain protocol specific and benefits of better, more efficient protocols may be realized as and when they are developed.

III. The proposed modifications will make clause 1.14.3 redundant and hence should be deleted.

We feel that if and when unrestricted Internet telephony is allowed to ISPs, appropriate additions and / or alterations to the Interconnection regulation will become necessary. The Authority shall ensure that Interconnection of IP with TDM networks becomes possible seamlessly while the charges of the same must be specified by the Authority. For this, ISPs should be considered as an Interconnection party.

In addition to Internet Telephony, there are other value added services that the ISPs are in a position to offer. One such important is service is IPTV. Presently the ISP license does not have any clause that may include IPTV within the scope of the ISP license. We also agree that due to convergence, services like IPTV falls within the overlapped scope of other licensees including telecom and cable operators. Therefore, we feel that while ISPs should be able to offer such services, other operators may also be permitted to ensure a level playing field.

In addition to above all other IP based services should be brought under the scope of the ISP license.

Q4. UASL/ CMTS licensees have been permitted unrestricted Internet telephony however none of them are offering the service. ISPs (with Internet telephony) can provide Internet telephony with in scope defined in license condition. The user friendly and cheaper devices with good voice quality are increasing Internet telephony grey market. Please suggest how grey market operations can be curbed without depriving users to avail such services?

We are aware and equally concerned about the grey Internet Telephony that is becoming increasingly rampant. It is quite understandable that UASL / CMTS licensees would be reluctant to start IP Telephony as the same will cannibalize their own revenues from voice services, which is their prime source of revenue. As a result, the service is unavailable legally to subscribers and illegal methods are being devised to make this cheaper alternative available to end users.

As rightly pointed out, majority of end users might not be even aware that certain form of Internet telephony being offered to them is illegal in India. Educating the end user in this direction will go a long way in curbing all illegal forms of Internet Telephony.

The most important reason for which such illegal form of Internet Telephony is flourishing is however, not very difficult to fathom. There is a huge economic arbitrage between a call legally terminating in India and a call that is terminating without paying any termination charge. This arbitrage is providing enough economic incentive for certain operators who are finding ways and means of routing a call to India illegally and terminating the same without paying any termination fee and associated taxes. There are few measures that can be taken to minimize such illegal calls:

- Minimize or totally eliminate the economic arbitrage. Since a substantial portion of the termination charge is payable as Access Deficit Charge, the termination cost itself can be reduced if the ADC is done away with.

We believe that there is already a huge corpus lying unutilized in the universal service obligation fund. There is no logical justification in accumulating further in this fund.

- Enforcing foreign operators including the ones who are offering web based Internet telephony to register in India before they can offer any services. Once they are registered, they will be obliged to pay service tax and other applicable levy.

Q5. How to address the issue of level playing field amongst the licensees of UASL, CMTS and ISPs?

We strongly agree that ISPs have lesser regulatory burden as compared to other licensees such as UASL and CMTS. The question of maintaining a level playing field is definitely something that needs to be ensured while unrestricted Internet Telephony is being considered for ISPs.

The question of level playing field comes when a **substitutable service** is offered by competing operators in the same market. Though calls on IP have far better QoS parameters now, still the voice service that will be offered by ISPs will be substantially different to voice service that is already available from UASL / CMTS licensees. As such, the two cannot be termed substitutable. We would like to highlight some differences as follows:

- ISPs will not be able to allocate phone numbers.
- The voice quality of a call on IP will never be comparable to Toll quality calls made on TDM circuits.
- A call on TDM is much more secure than a call made on a shared IP network.
- Access devices for making and receiving calls on IP are far more costly and complicated to use.

Nevertheless, in spite of all these differences, we believe that some additional burdens need to be put on ISPs **if and only if unrestricted Internet telephony is permitted to ISPs.**

Therefore we propose:

- The Authority might impose annual license fee at the rate of 6% of AGR on all value added services like IP Telephony and IPTV as and when those are offered by ISPs, since all other telecom players are paying a similar AGR.

- As stated in the consultation paper, integrated players have obtained a separate ISP license. We feel this is taking care of the level playing field

to a large extent since the services which falls under the ISP license is same for the integrated players as for standalone ISPs. Therefore on services like plain Internet access no license fee is being paid by the integrated players akin to standalone ISPs.

- The voice market is an entirely new domain for ISPs. Developing sustainable business models and estimating the revenue generation potential cannot be done immediately. Therefore the Authority may consider giving ISPs adequate time not less than two years to establish their business cases after which a uniform 6% AGR may be levied on all services offered by ISPs. Till that time unrestricted Internet Telephony should be allowed and 6% of AGR may be levied only on value added services like Internet telephony and IPTV

Q6. The emerging technological trends have been discussed in chapter 3. Please suggest changes you feel necessary in ISP licenses to keep pace with emerging technical trends?

We have already suggested some changes while answering question number 3. We endorse the Authority's view that certain clauses in the ISP license needs to be changed so that ISPs are able to use IPV6 addresses immediately. The Authority has also raised concern about lawful interception of Internet Telephony in section 3.5. We fully agree that interception of calls made on IP is comparatively difficult than interception of calls made on TDM circuits. Also, usage of higher level of encryption and complicated encryption algorithms has been mentioned. We would like to assert that the first time a limit was enforced on encryption strength was in 2004 by the Broadband policy. Even at the time of framing the policy, the 40 bit encryption strength was way out dated and today after almost 3 years, such a low encryption limit is just not sufficient. We understand that higher level of encryption makes decryption by brute force or any other means, unviable. As rightly pointed out, businesses are already using higher standards to ensure privacy. Rather than mandating an encryption strength which may compromise security for businesses, Authority may consider, strongly enforcing submission of the key pair which is already mandated by license condition.

Q7. The service roll out obligations under ISP license is very general and can be misused by non-serious players. Do you feel the need to redefine roll out obligations so that growth of Internet can be boosted both in urban and rural areas? Give suggestions.

Experience with roll out obligations in India has not been a pleasant one. This is perhaps the reason that roll out obligations are either being done away with or being reduced for other licensees. Therefore, putting additional roll out

obligations on ISPs most of whom are already cash starved would only be unjust and unfair. We would like to propose few suggestions to dissuade non serious players as well as ensure proliferation of Internet in both urban and rural areas:

- All ISP licensees should be mandated to have their own AS (autonomous system) numbers. Those who do not have presently may be given time till 31st December 2007 to get their AS numbers. After 31st December, 2007, acquiring an AS number should be a prerequisite for obtaining an ISP license. Acquiring an AS number shall not only enable an ISP to have their own routing policies but also put enough financial burden to filter out non-serious players

- Support from USO fund, tax incentives etc. should also be available for ISPs who wish provide Internet/Broadband services in remote and rural areas.

- The Authority may consider giving some customs and excise duty relief to hardware used by ISPs for rural deployment.

- To put additional financial burden, spectrum charge at the rate of 2% of AGR may be imposed on ISPs which will also address the issue of maintaining a level playing field vis-à-vis other licensees.

- Allocation of suitable spectrum for broadband access technologies is of utmost importance. Special bands at subsidized rates may be kept aside for ISPs willing to offer services in rural areas.

Q8. Do you feel that ISPs who want to provide unrestricted Internet telephony and other value added services be permitted to migrate to UASL without spectrum charges? Will it boost Internet telephony in India? What should be the entry conditions? Give suggestions.

As proposed in the consultation paper, giving ISPs the option to migrate u UASL is a regulatory alternative. Taking the cost of an UASL license in account, the Authority may agree that there are very few ISPs who are financially capable of acquiring an UASL license. Even if the cost of the bundled spectrum is taken out, still the cost of an UASL license will be out of bounds of most ISPs. Besides, UASL being a circle based license, the aggregate cost of acquiring licenses for all the circles in case an ISP wants to have pan India presence will be overwhelming.

Hence, though this is an alternative to maintain a uniform level playing field, it is financially not viable for most ISPs.

Q9. UASL/ CMTS licensees pay higher regulatory levies as compared to ISPs for provision of similar services. Do you feel that similar levies be imposed on ISPs also to maintain level playing field? Give suggestions.

We have time and again made representation to the Authority regarding various anti-competitive measures sought by dominant integrated players against stand alone ISPs. Anti competitive practices such as Vertical price squeeze, cross subsidization and discrimination is still prevalent and the Authority has not been successful in addressing these practices.

Under such pressing circumstances, imposing additional levies will but only increase burdens of standalone ISPs but also make business cases unsustainable. We have already suggested some measures to maintain a level playing field while answering question number 3. The same may be considered by the Authority.

As the Authority has already pointed out that most integrated operators have obtained a separate ISP license under a subsidiary company and provided that the integrated operator is maintaining absolute transparency in maintaining separated accounts for all the services, the issue of level playing field is completely nullified.

Q10. Virtually there is no license fee for ISPs at present. The amount of performance bank guarantee (PBG) and financial bank guarantee (FBG) submitted by ISPs is low. Do you feel the need to rationalize the license fee, PBG, FBG to regulate the Internet services?

We have already expressed our views regarding revision of license fee after a sunset period of two years if and only if unrestricted Internet telephony is permitted to ISPs.

PBG is imposed to enforce roll out obligations, if any, imposed on a licensee. As we have earlier stated, that roll out obligations for ISPs should be done away with, therefore the question of rationalizing PBG does not arise.

However, there is a valid case of rationalizing FBG in case the scope of the ISP license is expanded to include unrestricted Internet telephony. ISPs who are serious about deploying voice services on IP will realize additional revenues. Therefore, increasing the FBG to a suitable amount may be considered. This will also serve as an effective entry barrier for non serious players.

Q11. At present ISPs are paying radio spectrum charges based on frequency, hops, link length etc. This methodology results in high cost to ISPs

prohibiting use of spectrum for Internet services. Do you feel that there is a need to migrate to spectrum fee regime based on percentage of AGR earned from all the revenue streams? Give suggestions?

Yes, there is a strong need for ISPs to be migrated to a regime wherein spectrum fee shall be payable as percentage of AGR akin to CMTS licensees. The present formula used for the calculation of spectrum charge does not take into account the population density or the socio-economic condition of the place where the link is established. As such there is no incentive for deployment of wireless links in semi-urban or rural areas where ARPU is substantially less but cost of provisioning of services is same as that of a metro.

We had earlier submitted a modified formula with some additional parameters that can take care of the problem cited above. The same was accepted by the Authority but was ultimately not implemented. Under these circumstances we believe that migration to a regime wherein spectrum fee is shall be payable as percentage of AGR is absolutely necessary.

However, taking into consideration the financially strained conditions of the ISPs at present, the quantum of percentage of AGR should be kept low and should not be more than 1% of AGR earned from all revenue streams. This should initially be allowed for at least 2 years from the date of such migration. At the end of this sun set period, the quantum of percentage of AGR may be reviewed by the Authority.

Q12. The consultation paper has discussed some strategic paths to boost Internet telephony, bring in level playing field vis a vis other operators, and regulate the Internet services. Do you agree with the approach? Please give your suggestion regarding future direction keeping in view the changing scenario.

We take this opportunity to reiterate our major suggestions and also put forth some new ones that we feel is necessary for the revival of the ISP sector:

I. Exit policy to be eased so that non serious players may exit by submitting their license.

II. The ISP license needs to be consolidated and class B and C licenses should be done away with. Existing Class B and C licensees should be given time till 31st December 2007 to migrate to a class A license.

III. Unrestricted Internet telephony should be permitted to ISPs as mentioned above along with all other IP based services including IPTV.

IV. Appropriate entry barriers should be imposed like having an AS number a prerequisite for obtaining an ISP license after 31st December, 2007. Existing licensees to be given time till 31st December 2007 to get their own AS number.

V. ISPs should be migrated to a regime wherein spectrum fee shall be payable as percentage of AGR akin to CMTS licensees.

VI. ISPs should be considered as an Interconnection party.

VII. We do not feel a need to rationalize PBG. However, FBG and annual license fee may be revised if and only if unrestricted Internet Telephony is allowed to ISPs.

VIII. Dial up internet access still plays an important role in India for marginal users and therefore urgent steps needs to be taken to revive dial up services as discussed earlier.

We believe that our response shall be deemed sufficient and we look forward to the open house session where we would like to put forth some additional views on the instant subject.