



# TRAI REDUCES CEILING TARIFFS FOR DOMESTIC LEASED CIRCUITS (“DLCs”)

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## August 2014

Press release no. 38/2014 dated July 14, 2014 issued by TRAI reduced the ceiling tariffs for Point-to-Point Domestic Leased Circuits (“P2P-DLCs”) by 60 % and has brought DLCs of STM-4 (622 Mbps) capacity under tariff regulation. The new tariff regime came into effect from August 1, 2014. The DLCs form crucial building blocks for the delivery of various services like e-commerce, e-governance, internet access for the masses and knowledge based industries like business process outsourcing, IT and ITES. The tariffs for P2P-DLCs have been regulated in the form of ceiling tariffs on the basis of capacity and distance. They were last revised in the year 2005. The present exercise to review tariffs for DLCs was initiated by TRAI in the context of decline in per unit costs of providing DLCs due to (i) increase in demand, (ii) increase in transmission infrastructure, and (iii) increase in the bandwidth carrying capacity of transmission media, and signs of lack of competition in some parts of the country.

**PSA view** – Since DLCs form the backbone of the telecommunication services, the reduction in the ceiling tariffs for DLCs would give a boost to the overall growth of the economy. It is to be noted that with the implementation of the reduced ceiling tariffs, the customers seeking DLCs on the thin routes connecting small cities, remote and hilly areas etc. i.e. the routes which are not sufficiently competitive would be benefited.

## Karnataka amends Goondas Act

Pursuant to the amendment, apart from bootleggers, drug offenders, gamblers, goondas, immoral traffic offenders and slum grabbers, the Karnataka Goondas Act now extends the scope to video or audio pirates and digital offenders. Section 2(iv) provides that a “digital offender” is one “when he is engaged, or is making preparations for engaging, in any of his activities as a digital offender, which affect adversely or are likely to affect adversely the maintenance of public order.” An explanation to section 2(f) specifies that a “digital offender” is “any person who knowingly or deliberately violates for commercial purposes any copyright law in relation to any book, music, film, software, artistic or scientific work and also includes any person who illegally enters through the identity of another user and illegally uses any computer or digital network for pecuniary gain for himself or for any other person or commits any of the offences specified under section 67, 68, 69, 70, 71, 72, 73, 74 and 75 of the Information Technology Act, 2000.”

A “video or audio pirate” as defined under amended section 2(xiii) is “when he is engaged or is making preparations for engaging in any of his activities as a video or audio pirate habitually for commercial gain, which affect adversely, or are likely to affect adversely the maintenance of public order.” The explanation to section 2(o) states that a “video or audio pirate” means “a person who commits or attempts to commit or

abets the commission of offences of infringement of copyright habitually for commercial gain, in relation to a cinematograph film or a record embodying any part of the soundtrack associated with the film, punishable under the Copyright Act, 1957." The explanation to amended section 2 lays down the conditions in which public order shall be deemed to have been affected adversely or shall be deemed likely to be affected adversely, viz. "that if any of the activities of any of the persons referred to in this clause directly or indirectly, is causing or is calculated to cause any harm, danger or alarm, or a feeling of insecurity, among the general public or any section thereof or grave or widespread danger to life or public health."

**PSA view** – The amendment means the state government now has the power to detain audio and video pirates and digital offenders, to prevent them from acting in a manner prejudicial to public order. The person arrested need not be produced before a magistrate immediately and detention may continue for a period of one year. There can be arrests merely on suspicion and persons detained under this legislation cannot secure bail. Tamil Nadu introduced such amendments in 2004, Maharashtra in 2009 and Andhra Pradesh in 2010.

### **India gears up to check back window snooping**

In an attempt to prevent cyber attacks and spying, the Indian government is contemplating to make it mandatory for all telecom equipments to undergo anti-snooping tests in India before entering the market. This step is taken at a time when the inflow of Chinese equipments is rising in the market. The government has in the past turned down the procurement of Chinese equipment on the suspicion that it contained a back-window for transmitting information. The government in order to facilitate the testing process has established a pilot lab at Indian Institute of Science in Bangalore to develop test standards, procedures and test tools for testing telecom equipment.

**PSA view** – The recent past has witnessed several snooping activities against India and, thus, it has become crucial to safeguard the security of the people and country as a whole. This is a step in the right direction as it will prevent the snooping activities being carried out using telecom equipments. The pilot lab will be ready to use after April 2015, and there are high chances for the lab to evolve into a telecom testing and security certification centre to enable telecom providers get their equipments tested in India.

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