

**LOK SABHA SECRETARIAT**  
**(STANDING COMMITTEE ON INFORMATION TECHNOLOGY BRANCH)**

FAX: 23010756

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From

Dr. Sagarika Dash  
Deputy Secretary

To

Shri Osama Manzar,  
President and Founder,  
Digital Empowerment Foundation,  
Second Floor, 44, Kalu Sarai,  
Near IIT Delhi,  
Hauz Khas,  
New Delhi- 110016.

Subject: Sitting of the Committee held on 1<sup>st</sup> July, 2015 to hear the views of Civil Society Organizations, Media Group/Legal Experts and Academicians on the subject 'Net Neutrality'.

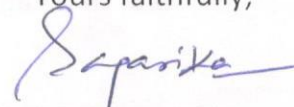
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Sir,

I am directed to enclose herewith the proceedings of the Sitting of the Committee on Information Technology held on 1<sup>st</sup> July, 2015 containing your speech(es) (page no. 7, 8, 9, 10, 11, 17, 19, 30, 31 and 32) for correction and return. The corrections to be made in ink should be confined to either grammatical errors or such other patent errors as incorrect figures, etc.

2. The corrected copy bearing your signature may kindly be returned to the undersigned in a sealed cover, registered acknowledgement due, if sent by post by 24<sup>th</sup> July, 2015. The proceedings may kindly be treated as 'SECRET' and returned to the undersigned, even if no corrections of any kind are suggested.

Yours faithfully,



Encl: As above

DEPUTY SECRETARY  
Tel.: 23034315/4149  
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HON. CHAIRPERSON: If you have anything specific to add more, you can take a couple of minutes.

(d1/1230/spr-nsh)

SHRI PRANESH PRAKASH: I would also like to make one general point on the issue of zero rating. Zero rating just because it is zero price does not necessarily make it good. Zero rating can be harmful just as predatory pricing is harmful. Just because there is decrease in price does not mean that it is good for the consumers. It may do short term good but in the long term it may be harmful. But there are certain forms of zero priced, zero rating which do not discriminate between different providers. If a service says, if you watch an ad, we would provide you one hour of free internet usage regardless of what site you go, regardless of what you are doing. It is free access to the internet. That is not discriminatory. That does not violate the principle of neutrality. Those kinds of things should be allowed. Further zero rating when it is chosen freely by consumers, that kind of zero rating should be allowed.

I have in my submission on page 17, gone into the different kinds of zero rating. Please bear with me – it is bit technical – but I have gone into different forms of zero rating and into the gradations of the best kinds of zero rating and the worst kind. Somewhere in the middle, the Government or perhaps Parliament will have to draw a line to say, the harms outweigh the benefits and we shall not allow it. That gradation may be useful in terms of conducting a cost benefit analysis. I will be very happy to answer questions if there are any.

✓ SHRI OSAMA MANZAR: Respected Members, thank you very much for your invitation. I represent an organisation called Digital Empowerment Foundation I founded. We are about 350 people, present in about 150 locations in the country. We work in taking internet, to overcome information barrier in villages and rural India. That is our day in and day out work. So that kind of perspective that we would like to bring in is something going to be very close to most of the



parliamentarians who really represent the people, the people of the country, relate democracy and internet with each other quite at that level.

Sir, 80 per cent of our country is still not connected. All statistics say that internet is only penetrated at 20 per cent. If you really go deeper अगर आप बहुत ज्यादा उसमें जाएंगे तो मुश्किल से 5 प्रतिशत लोग इंटरनेट कायदे से यूज़ करते हैं, 95 प्रतिशत लोग अभी भी इंटरनेट नहीं यूज़ कर सकते। अगर आप डिजिटल इंडिया प्रोग्राम देखेंगे तो सारे नौ पिलर्स इस बात को दर्शाते हैं कि ~~द्व~~ without internet we have no future. If you really go into Digital India programme, which is being launched formally today, the entire pillar is based on proliferation of internet; internet as an infrastructure; and connectivity as an infrastructure. These are some very basic formula we are working on. We are also as a country working on – information is the future information, economy is the future, and this is the 21<sup>st</sup> century where without network or connected, you cannot be part of the world economy and the world leader. Considering all that, if you look at the discussion that is going on about internet, it looks like that all the discussion are about five or 10 per cent of the people. It is more about security, concerns, insecurities, privacy. It looks like that are we tired of a few million people who are connected or we really want to connect the rest of the one billion people because if you really look at the one billion, we still have one more billion people to be connected to the internet.

So, I would like to bring to the notice in addition to the submission that we had already done, which I do not want to repeat, is that all the effort towards policies should be in the area of proliferation of internet and the reason which it has proliferated so far is because of its openness. We all are enjoying – whether are enjoying Whatsapp. I know that many parliamentarians also use Whatsapp with the people; there are groups. Are we going to hamper this? Are we going to challenge this? How are we going to open ourselves? We have to connect to the people. Can we go door to door? Can we connect to them easily? No. So, this connectivity as an access or infrastructure brings lots of packages and if we just

take care of one cost, which is an access cost, rest all can be taken care of. In the network world one thing is also very important is that, once you are connected, you are always traceable. It is a matter of only looking into the matter. So, with these kinds of broad preamble, I would like to bring into the notice of all of you, our entire policy, regulation should be towards proliferation of internet. If net neutrality has all those openness, we should adopt it. If zero rating is a hamper, we should not adopt it. If the licensing is going to hamper the last man in the village who is not going to be connected for another 20 years, we should look into the matter as to what we should do to make the internet reach him.

For the last five or six years we are working on national optic fibre network. We are three years behind that schedule. It shows that there is a huge monopolisation of providing access to the internet by the private parties also. Still, we have not reached to the village level. I would like to give some examples because we work in the village and we use unlicensed spectrum to connect to the people. There are 5.8 gigahertz and 2.4 gigahertz which are unlicensed band by the permission of the law. We use that and connect hundreds of miles of the communities, build their own infrastructure. Even at infrastructure level, it may be a question we need to ask ourselves – are we going to always depend on the private sector or even on the government to provide to the Panchayat or village level all the infrastructure? Is it viable? Is it viable from the infrastructure point of view or is it viable from the mindset perspective? Because it is not only about laying the cable, maintaining the network, firing the network, etc. Is there a time that we need to look at how to safeguard unlicensed spectrum, may be to provide unlicensed spectrum and allow communities to build the infrastructure?

The country has grown for the last 60 years, even before on communities, we have SHGs and Panchayats as example; we have community radio as an example. We give license not for profit organization to run radio station and we regulate with various laws. They create their own infrastructure. We do not give them any infrastructure. Should we look for rural ISP as a licensing formula?



Should we look for not for profit licensing? Should we look for community ISP or community infrastructure? These are the things that we need to look at in terms of proliferation of internet. It is good that this net neutrality, etc. have been brought into the picture because the awareness is much more higher to the public representatives also, this is also the basic infrastructure that we are looking at.

I will give an example of Ratnali village in Muzzafarpur. There is this 400 group of women who were working under NREGA. One day a guy who knew internet, they were all complaining that they have not been paid. He opened a website of NREGA, of Bihar, of Muzzafarpur, of Ratnali village, and dig out the names of all the 400 women that they were paid. He took the print out. The website said they were paid. That means our e-governance is working. He took the print out, went to the Panchayat that the paper says that in the internet that they were paid but where is the proof that they have been paid because they are saying that they were never paid. Thumb mark is not there; their signature is not there; they have not received the payment. One e-governance has created the transparency but access to information has given them a right to find out that you better give me my money, which you have not paid.

(e1/1240/ksp/nk)

So, the access to information is so important to the last man. We have been struggling, all of us have been struggling to make hundreds of schemes reach to the people, but they are not reaching the people in some way or the other. We have to overcome the barrier of access to information and that can only happen through the proliferation of internet. There is no other way we can make large access to internet. For proliferation so many debates and struggles going on in this kind of trivialising kind of things where we are thinking of zero rating, we are thinking about insecurities and securities and barriers.

So, broadly I would like to sum up by saying proliferation of internet is very important. We should not hamper it at the cost of various issues. Our regulations and policies should be made in such a manner that until we achieve

100 per cent proliferation of internet, our approach to policy should be positive towards making it democratic and access to all. Then, we should create an infrastructure which is community participative and community oriented so that the infrastructure development to access the information in internet should not only be dependent on the private sector and Government, but participative.

As far as the bullet points and zero rating are concerned, we have already submitted our views in writing. I have nothing more to say. Thank you very much.

SHRI RAGHAV BAHL: Hon. Chairman and hon. Members of the Committee, I thank you very much for giving this opportunity. By way of introduction, I had founded a company called Network 18 which has about 17 news channels both English, Hindi and regional languages and currently we are setting up a Digital First News Platform. Some of the remarks that have already been made are very comprehensive and I must say that I endorse almost 100 per cent of what both the speakers before me have said. Therefore, I will not repeat them and waste the time of the hon. Committee.

The subject of net neutrality may be complex, but the discourse around it need not be complex because it is really a zero-one outcome if you were to look at it very objectively. Let me give you an everyday example and not from the internet. It is a crude example, but probably you will relate with it. Supposing the Parliamentary Affairs Ministry was to pass a rule saying that we will allow only one newspaper in the morning at 7 o'clock into Parliament House and we will now ask big newspaper companies to bid for whose newspaper is going to come in at 7 o'clock. Do you think democratic India would ever allow something like that that a newspaper would be able to ensure that by paying more money which has disproportionate access to the policy makers of India? Something like this would never be allowed here. So, in a simplistic crude manner, this is what net neutrality amounts to. If you allow access to be controlled by the service provider, then that service provider will charge access money and ensure that access is disproportionately allowed to one party or the other. In a democratic, open



HON. CHAIRPERSON: The number is huge as far as the wireless is concerned.

SHRI NIKHIL PAHWA: It is because, we do not have right of way and the cost of right of way is very expensive. In fact, TRAI has done consultation on broadband also. Right of way is the biggest problem for most ISPs. We need more internet. Everyone should get internet. But what they get is important. They should get access to everything on the internet. That is just the way I look at it.

HON. CHAIRPERSON: I hope none of your companies receive grant, donation or funding from any of the OTT or telecom companies. Is that right?

SHRI RAGHAV BAHL: Yes, Sir, we do not receive.

SHRI OSAMA MANZAR: We receive grant under CSR from one of the telecom companies. But if you go into the details that I am saying, it is absolutely opposite to the practice that they have been doing.

SHRI NIKHIL PAHWA: Sir, we are a media company. We have advertisers and our advertisers include both OTT and telecom operators. So far, some telecom companies have advertised before. We do not receive any grant. I mean, we have no funding whatsoever. It is all built on our own efforts.

SHRI OSAMA MANZAR: On the point that you raised about the spectrum as a caretaker and all that, I would also like to highlight the point that there is, I would say, an illegitimate marriage going on between the content providers and the infrastructure providers and that is dangerous. If you have got spectrum to provide access, be just access providers and charge for it. But there is a coercing happening and that is what is looking like that with small inputs of charging basically creating a scenario of what they are going to look for in future.

HON. CHAIRPERSON: One clarity I require from your side before I ask my colleagues to raise their questions. For example, if anyone of us used to go abroad earlier, when he used to come back, he used to pay thousands of rupees as fee to the telecom service providers. Today when you go abroad, your hotel provides you free Wi-Fi connection. You can make Whatsapp call; you can have the Viber thing. But telecom loses a lot of money on that. Suppose, on your previous trips,

investments made in that. We can come back to that. But I would request the hon. Members to raise questions.

SHRI DEREK O BRIEN: I want to use this opportunity Mr. Chairman, Sir, to also share with you one piece of information that on the 21<sup>st</sup> of May, this Committee met the telecom operators and after that I wrote to the Chairman asking the hon. Chairman to open this debate up on net neutrality. Even though I had given the Chairman a long list, but from that list, at least six or seven of you are here today. So, I must record my appreciation to the Chairman.

I have no questions to ask you except that to feel to make a couple of observations. Shri Osama Manzar, the debate on security, privacy, those are all issues – especially security – not being brought up by Parliament. Those are the spins being provided by the telecom companies. All of us are on this table, no matter what party we belong to. We have our ear to the ground; you can be rest assured. Please do not jump to those conclusions. Of course, privacy is an issue. All of you are speaking the same language today. In the same way, the telecom operators were all speaking the same language. So as a net neutral Parliamentarian, at least I am looking at it is, on one side we the three big telecom operators. I think that is the issue to differentiate the top three from the rest especially when it comes to question that the Chairman asked. So, it is the top-three telecom operators versus you guys and others. This is my understanding.

Mr. Raghav Bahl brought a different perspective to the debate today because he brought media perspective; you brought a rural perspective. All of you brought different perspectives and we appreciate that. You said something which I just want to reconfirm. All four of you today are endorsing each other's view. Is that my take? Is that a correct take to take out of this?

SHRI NIKHIL PAHWA: Yes, Sir.

SHRI OSAMA MANZAR: Yes, Sir.

SHRI DEREK O BRIEN: Even on the issue of proliferation, Mr. Manzar since you brought that up, I am not interrogating, I just want to get an understanding



pure play ISPs and they would not have to be both telephony providers and ISPs at the same time. Similarly, in the US many ISPs have competing interest. They are both cable providers and ISPs. In India most ISPs are both telephony providers and ISPs. You cannot be an ISP without being a telephony provider completely. It is possible. Technologically, it is possible. Legally, it is possible, and there are regulations. So, this is actually a conflict of interest and we should not allow their conflict of interest which they have created to harm consumers. This is what I am saying that it is not a necessity that there be a conflict of interest and it is a soup they have landed themselves in and it is not something that currently is harming them also according to the evidence. They are able to make a lot of money on the internet on providing data services. I will provide written submissions for the other questions.

श्री ओसामा मंज़र : अभी यह बात चल रही थी, तो मुझे ख्याल आया कि इंसान अपने गम से जितना परेशान नहीं है, उतना दूसरे की खुशी से परेशान है। आज टेल्को वाले की हालत वैसी ही है। It is just because they are charging for access. On access, I am transferring data. Data is what? It is zero one zero one zero one. Just because you are seeing that I am talking that Zero one इससे बहुत ज्यादा परेशानी हो गयी। हमने उस पर बात कर ली, तो आपको परेशानी हो गयी, हमने ई-कॉमर्स कर लिया तो परेशानी हो गयी। हमारा पैसा बच रहा है, लेकिन हमने आपका पैसा तो नहीं चुराया।

We are not paying your access. We are paying your access. Everybody is paying your access and that access technology is enabling lots of enablement. The scenario is created like that. We should see each OTT as a data, zero one zero one. Forget about what they are doing. Of course, data is data. Of course, what they are doing is important for Government, for regulation and for everything. You can find out that. But ultimately, it is zero one zero one technology. Technologically, it is zero one zero one. Why are we bothering whether I am transferring video or audio or whatever? So, I would like to emphasize that.

About the community ISP and all that, I will send a separate paper but we are running at least 12 community ISP kind of scenario where the infrastructure has been created by the people. I will send you the entire Barcelona network. The Gulfi network runs on wireless network which is created by the community and for the community where each one like your internet becomes a service provider to another four houses and so on and so forth. I will send the paper on that one in detail. Yes, it is possible, and it is distributed.

There was a question that रूरल एरिया में इंटरनेट नहीं जा रहा है, इतना खर्चा होता है। You know there is a lot of money that is spent. You also asked how they recover the money. In urban areas, people are ready to use. In rural areas, people are not ready to use. We all know that they are not ready to use. When I say that let us take internet to the rural areas, the first question is, do they have a computer to access internet? Do they have a mobile to access internet? Absolutely, the gestation period is a little longer there. You be prepared for that gestation period. That is your investment. You cannot punish other people. We cannot pay all the taxes for our rural people. You go and spend a little longer time there and you will get it. We work in rural areas. Of course, पहले दिन कुछ नहीं होता है। एक साल के बाद वे मोटरसाइकिल के बजाय कम्प्यूटर खरीदना शुरू कर देते हैं। Their priority changes. You know, as soon as they know the value, their priority changes. So, they need a little longer to invest in rural areas to create infrastructure and so is the Government also. The return will not come very, very soon.

There are several other questions. On IEC materials, yes I would say it is important for awareness. Digital literacy is already happening. We know that it is happening all over the country.

श्री केशव प्रसाद मौर्या : इस संबंध में मैं एक प्रश्न करना चाहता हूँ। ग्रामीण भारत के उत्थान के बिना भारत का उत्थान अधूरा है। ग्रामीण भारत में हम कब तक हाई स्पीड इंटरनेट दे पाएंगे, जैसे हम शहरों में दे पाते हैं? प्राथमिकताएँ बदलती होंगी, मैं इससे इन्कार नहीं करता हूँ। लेकिन ऐसा नहीं है कि प्राथमिकताएँ केवल गांवों की बदलती हैं, और शहरों की नहीं बदलती हैं। यदि गांवों के व्यक्तियों को वहीं हाई स्पीड



इंटरनेट मिलेगा, तो जो दिल्ली-मुम्बई में काम करना चाहते हैं, वे इलाहाबाद में भी करेंगे। चूंकि मैं इलाहाबाद से चुनकर आया हूँ। मैं सभी कंपनियों से पूछना चाहता हूँ कि गांवों में कब तक हाई स्पीड इंटरनेट और फुल मोबाइल नेटवर्क मिल सकेगा ताकि उसके आधार पर रोजगार के अवसर भी प्राप्त हो सकें। आप लोगों की भी कल्पनाएँ होंगी, तमाम प्रकार की जरूरतें होंगी, उनसे हम कैसे जोड़ सकते हैं। क्योंकि हम जब तक गांवों को मजबूत नहीं करेंगे, तब तक मजबूती अधूरी है। प्राथमिकताएँ तो सबकी बदलती हैं। आप कभी मोबाइल लेकर जा रहे थे और आज इंटरनेट लेकर जा रहे हैं, फेसबुक, व्हाट्स एप आदि चीजें आ रही हैं। सारी चीजें बदलती जा रही हैं और सबको बदलना है।

(11/1340/rps-ak)

हम ग्रामीण भारत को कैसे मजबूती प्रदान करें कि उनको भागकर दूसरी जगहों पर न जाना पड़े। इंटरनेट की कमी के कारण बड़ी संख्या में लोग गांवों से शहरों की भागते हैं।

**श्री ओसामा मंज़र:** सर, इसमें पांच से दस साल लगेंगे। मैं हर मन्डे को मिन्ट में कॉलम लिखता हूँ, हमने वहां दो-तीन आइडियाज दिए थे। मेंबर ऑफ पार्लियामेंट अपने एमपीलैड्स फण्ड से भी अपने एरिया में काफी नेटवर्क डेवलप कर सकते हैं। यह लम्बा काम है।

**माननीय सभापति :** मेंबर ऑफ पार्लियामेंट की समस्याओं में मत जाइए।

**SHRI OSAMA MANZAR :** Sir, we will send rest of the things in writing.

**HON. CHAIRPERSON:** Let me come back to this. You can send your answers in writing. I just wanted to ask three pointed questions from you. रेगुलेटरी फ्रेमवर्क से आपको कोई दिक्कत तो नहीं है? कोई दिक्कत नहीं होनी चाहिए क्योंकि उन सवालों का किसी ने जवाब नहीं दिया है। रेगुलेशन में आपको कोई प्रॉब्लम नहीं होनी चाहिए।

**SHRI DEREK O'BRIEN :** It will be a problem because that is the whole argument.

**माननीय सभापति :** प्राइवेट एंड सिक्योरिटी को लेकर क्या प्रॉब्लम है?

**SHRI DEREK O'BRIEN :** No, it is a telecom spin, but I have understood the real issue that they are saying. I am not their spokesperson, but my view is from what I have heard, which is that none of them are for a regulatory framework for OTTs.

**SHRI PRANESH PRAKASH :** I would like to point out that we actually have a regulatory framework for the OTTs already in the Information Technology Act.