

Counter Comments on TRAI's Consultation Paper on Issues Related to Telecommunications Infrastructure Policy

This is with reference to the response submitted by various stakeholders along with Airtel on the TRAI Consultation Paper on subject mentioned above.

Mobile Virtual Network Operator

6.6 Please give your comments on the changes proposed in para 3.5 of Section C of Chapter 3.

Bharti Airtel Response:

We would again like to reiterate our stand on the issue of Mobile Virtual Network Operator. We would like to submit that:

- The concept of MVNO has been successful in those markets where (i) the number of service providers are limited (ii) adequate spectrum is available with MNO to lease-out the spare spectrum to MVNO (iii) ARPU levels are on higher side, which enables MVNO and MNO to co-exist (iv) the market is mature and highly penetrated
- On the other hand, the Indian telecom market is extremely competitive with the presence of 11-12 telecom operators in each service area (ii) the existing operators are facing the huge scarcity of spectrum to provide QoS to its own subscribers and there is hardly any spectrum to be spared out (iii) the tariffs are amongst the lowest in the world and ARPU are consistently coming down (iv) the market penetration is 60% and all the service providers are aggressively rolling out their networks to enhance penetration in rural areas. Under these circumstances, the concept of MVNO seems to be irrelevant at this point of time.
- Bharti has always welcomed the competition and thus, if the Authority feels that the Indian telecom market has a place for MVNO in current scenario; the same can be introduced under a distinct regulatory regime.
- The Authority talks about sharing of spectrum between MVNO and MNO. These words convey a sense of ownership / co-ownership, which is not true in the case of MVNO. In our view, the MVNO **should not be allowed to share spectrum**. The same will also be in consonance with the internationally accepted and adopted definition of MVNO:

“MVNO licensee is an entity who has no frequency assignments, but who can provide mobile services to users by means of entering into an agreement with a licensed access service provider.”

- The definition adopted by the international organizations / regulators also does not talk about sharing of spectrum and clearly indicates that the MVNO does not have allocation of spectrum / does not have its own radio frequency assignment. Thus, the above definition is in line with the international practices.

- The above definition also indicates the commercial arrangement between MVNO and MNO for providing the telecom services to end user, which is the essence of any MVNO's business.
- It would also be appropriate that market forces decide the relationship between MNO and MVNO and there is no compulsion on MNO to enter into any commercial arrangement with any MVNO. MNO and MVNO should be free to decide the terms of its agreement.

Infrastructure sharing

6.24 Should sharing of mobile towers be mandated?

Bharti Airtel Response:

With the rapid growth in the no. of cellular subscribers and the telecom services, operators are investing heavily in telecom infrastructure so as to make the cellular services available across the country. We believe that the infrastructure sharing is one of the most cost effective and critical aspects that cater to the multiple requirements of the growing Indian Telecom Sector, facilitating better Quality of Service (QoS), and faster network rollout, at reduced costs in terms of capex and opex.

Industry statistics also shows that more than 50 % of the mobile towers in the Country are already shared and with the advent of the cellular infrastructure operators and reduced margins, operators are going towards more and more tower sharing.

In light of the same it is recommended that:

- ✓ **There is no need of mandating the infrastructure sharing** and the same should be left to mutual commercial agreement between the operators.

6.25 Should sharing of active infrastructure, created by themselves or infrastructure providers, be allowed?

Bharti Airtel Response:

In the past, the government has implemented various progress policies to encourage infrastructure sharing among telecom operators. These policies has not only played a significant role in enhancing the affordability of telecom services but also resulted in faster proliferation of telecom services across the nation. In our opinion, the sharing of active infrastructure created by the tower and associated companies should be allowed, as this is expected to reduce costs, encourage standardization, and ultimately result in further decline of tariffs.

The role of telecom service providers and IP-1 needs to be expanded for providing the following:

a. Provisioning microwave links and utilizing frequency spots for microwave (Backhaul) directly by the tower infrastructure companies:

The lack of optical fibre backbone in India has serious impact on backhaul required for telecom services. As a result, telecom operators depend upon the microwave or VSAT as a backhaul to a great extent. In the last few years; the demand of these frequencies have increased manifold as each operator is taking these links separately to provide the telecom services in the same location. As these links are scarce in nature, it is imperative that telecom operators are now allowed to share these links with each other. Sharing of these links among telecom operators will not only significantly enhance the affordability of telecom services especially in rural areas but also avoid the duplication of scarce resource.

Similarly, the infrastructure companies should also be allowed to obtain and share the microwave links on behalf of the telecom companies. Once a policy in principle to this effect is agreed by the regulator, the regulator may formulate a process with the stakeholders to ensure that these links are taken by the serious infrastructure companies only and are used for providing telecom services only by the licensed service providers.

b. Lit fiber:

IP-I companies can provide assets such as dark fiber services. The authority should consider extending the provision of providing lit fiber by IP-I as asset to the licensed telecom service providers only. This is expected to encourage a speedy roll out of OFC network across the country, and strengthen the backhaul.

We would also like to draw your attention towards the 'Recommendations on Spectrum Management and Licensing Framework' issued by the Authority on 11th May, 2010 wherein it has been proposed to impose uniform license fee on IP-1 Service providers also. In this regard, we would like to submit that the revenue earned by the IP-1 service providers is a direct cost to the Telecom Service Providers. Any additional burden onto the IP-1 Service Providers by way of imposition of license fees will be passed by them on to the Telecom Service Providers, thereby increasing the cost of provision of services.

Hence, we request the authority to either continue with the policy of no license fees for revenue earned by IP-1 Service Providers or alternatively allow the costs incurred (revenue passed to IP-1 Service Providers) by the Telecom Service provider on this account to be deducted as pass through charges so that double license fees is not imposed on the above costs.

In-Building Solutions:

6.7 What methods would you propose for reduction of the number of towers.

6.8 In what ways do you think that IBS can be encouraged for better in building coverage, better QoS and reduction in level of radiated power from Macro cell sites?

6.9 How can sharing of IBS among service providers be encouraged? Does TRAI need to issue any guidelines in this regard?

In their response some of the stakeholders have stated regarding the business opportunity for setting up Private GSM networks, which would entail providing IBS solutions, and the deployment of DAS should be reserved for small entrepreneurs. It has also been proposed by them that an amount of 3 MHz of Spectrum in 900 MHz, 1800 MHz and CDMA band should be reserved/ earmarked for these infrastructure providers who would set up IBS & DAS facilities and charge TSPs for providing these services.

In this regard, we would like to convey that all the existing service providers are already deploying In Building Solutions to enhance network coverage and quality. Thus, the very suggestion of spectrum for small/ medium enterprises is completely baseless and out of context in the present telecom scenario. We would like to highlight that even the policy of the government as enshrined in the **NTP-1999 also does not envisage any such operator providing private wireless networks inside the building**. Any such allowance is a much bigger issue which needs to be seen in the prospective of the National Telecom Policy. Therefore, we request the Authority not to consider any such suggestion.

We believe that there is no need for any regulatory intervention in this field as the operators are already sharing the IBS antennas with other operators especially in areas like Delhi Metro Tunnels, Airports, Hotels etc.

However, to further encourage the IBS sharing, the following is suggested:

- Building code can be used so as to have a mandatory provisions for IBS terminals.
- RoW guidelines should be such so as to enable speedy acquisition of sites with minimum costs for the service provider.
- The RoW charges could be prescribed at a lower rate in case the facility/ telecom infrastructure is proposed to be shared.
- Revenue passed on to the other operators for sharing of IBS may be treated as pass through revenue.