



Ref.: Indus/TRAI/CP01/2024

19th November 2024

To,
Shri Akhilesh Kumar Trivedi
Advisor – (Networks, Spectrum and Licensing),
Telecom Regulatory Authority of India,
Tower F, NBCC World Trade Centre,
Nauroji Nagar, New Delhi-110029
Email ID: advmn@traai.gov.in

Subject: Response to Consultation Paper on “The Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023” (CP No.16/2024).

Dear Sir,

This is with reference to the TRAI’s Consultation paper on “The Terms and Conditions of Network Authorizations to be Granted Under the Telecommunications Act, 2023”, issued on 22nd October 2024 (Consultation Paper No. 16/2024).

In this regard, please find enclosed our response for your kind consideration.

Thanking you,

Yours Sincerely,
For Indus Towers Limited

Manoj Kr Misra
Director- Regulatory Affairs

Enclosed: As above

Indus Towers Limited

Registered & Corporate Office : Building No. 10, Tower A, 4th Floor, DLF Cyber City, Gurugram – 122002, Haryana
Tel : +91-124-4132600 | Fax : +91 124 4289333

Indus Towers's Response to CP "The Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023"

Indus Towers thanks the Hon'ble Authority for giving it the opportunity to comment on this critical Consultation Paper ("CP") titled "The Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023."

Preamble:

1. The telecommunications Industry is vital in India's journey to becoming a \$5 trillion economy. It aims to provide high-speed broadband access to every citizen, promote digital inclusion, and bridge the digital divide. Significant investments by Infrastructure Provider Category-I (IP-I) and Telecom Service Providers (TSPs), totalling billions of dollars, have led to over 8,11,000 telecom towers and millions of base transceiver stations (BTS). These advancements serve a population of over one billion, reaching even remote areas and enhancing India's global competitiveness.
2. Infrastructure Provider Category-I (IP-I) is pivotal in the telecom sector, offering essential passive infrastructure like towers, pole, dark fibers, right of way, duct space, and other passive elements. By enabling telecom operators to share these resources, **IP-I providers significantly reduce the capital expenditure required for network expansion. This cost-sharing model not only lowers the financial burden on individual Telecom operators but also mitigates risks associated with large-scale infrastructure investments.**
3. **The collaborative approach facilitated by IP-I providers under the present registration regime has a direct impact on the affordability of telecom services in India.** By reducing operational costs through shared infrastructure, telecom operators can offer more competitive tariffs, making mobile and broadband services accessible to a larger population. This affordability is crucial for driving digital inclusion and economic growth in India, as it allows more people to benefit from information and communication technologies. **Furthermore, risk-sharing ensures that no single telecom operator bears the full brunt of infrastructure-related challenges, promoting a more stable and resilient telecom ecosystem in India.**
4. The role of IP-I providers has been instrumental in the rapid rollout of 5G in India. By leveraging shared infrastructure, telecom operators have deployed 5G networks more quickly and efficiently, positioning India as one of the leaders in global 5G adoption. This accelerated rollout enhances the country's technological capabilities and supports various sectors, such as healthcare, education, and industry, through improved connectivity and innovative applications.
5. Regulatory certainty, consistency, and investment protection are crucial for any licensing or authorization framework, as well as any potential reforms. These principles of effective policymaking should guide the introduction of new policies and the modification of existing ones. Policy reforms must continue to promote sustainable investment in telecommunications and infrastructure, building upon the progress that has already been achieved.
6. IP-I providers are key enablers of India's cost-effective, risk-mitigated, and technologically advanced telecom sector. **The present regulatory regime for IP-I has played a significant role in achieving Digital India's objectives, services affordability, accessibility in rural and underserved areas, and the orderly growth of the Indian telecommunications sector.**

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7. **Reducing regulatory uncertainty and safeguarding investments by providing long-term regulatory stability and predictability is crucial. Any change in the present regulatory and legal framework from the regulator and government should be based on a Regulatory Impact Analysis and best Regulatory practices, and it should be only when there is market failure.** This is essential for the orderly growth of the telecommunications sector. Accordingly, we are responding to a selective set of questions raised in the paper.

Key recommendations:

- IP-I registration should not be merged with the TRAI-recommended DCIP authorisation.
- TRAI may recommend maintaining the current licensing framework for IP-I (i.e., Registration).
- There is no need for separate DCIP/IBS Authorisations.
- IP-I should remain under the Registration type of authorisation (a mirror authorisation of the extant IP-I registration) in the new Telecommunications Act, 2023, maintaining existing terms and conditions, including no restriction on the validity period for the registration type authorisation.

In the following section, we provide our replies to select questions asked in the CP.

Indus Towers' response to respective questions

Q1. Whether there is a need to merge the scopes of the extant Infrastructure Provider-I (IP-I) and Digital Connectivity Infrastructure Provider (DCIP) authorization (as recommended by TRAI in August 2023), into a single authorisation under Section 3(1)(b) of the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

And

Q2. In case your response to the Q1 is in the affirmative, kindly provide a detailed response with justifications on –

(a) Eligibility conditions for the grant of the merged authorisation; and

(b) Area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of the merged authorisation.

And

Q3. In case your response to the Q1 is in the negative, -

(a) What changes (additions, deletions or modifications) are required to be incorporated in the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of the IP-I authorisation under Section 3(1)(b) of the Telecommunications Act, 2023 as compared to the extant IP-I registration?

(b) Whether there is a need to make certain changes in the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of the DCIP authorisation (as recommended by TRAI in August 2023)? If yes, kindly provide a detailed response with justifications.

Indus Towers's Response to CP "The Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023"

Indus Towers Response:

1. **No.** There is no need to merge the scopes of the extant IP-I registration and DCIP authorisation (as recommended by the Hon'ble Authority) into a single authorisation under the Telecom Act, 2023.
2. The present licensing framework works well and effectively, with all the relevant infrastructure, network and service elements duly disaggregated. Therefore, there is no need to introduce a separate DCIP authorisation.
3. IP-I providers establish, maintain, and lease out passive infrastructure such as towers, dark fiber, ducts, and other physical structures to telecom service providers (TSPs). It is important to recall that private participation in Infrastructure Provider Category-I (IP-I) began in 2000. **Companies registered under the Indian Companies Act can apply for IP-I registration without needing a license**
4. Over the last 20 years, IP-I providers have been key enablers of India's cost-effective, risk-mitigated, and technologically advanced telecom sector. **The present regulatory regime (i.e. Registration) for IP-I has played a significant role in achieving Digital India's objectives, providing services at affordable rates and accessibility in rural and underserved areas and ensuring the orderly growth of the Indian telecommunications sector.**
5. Providing long-term regulatory stability and predictability is desirable for reducing regulatory uncertainty and safeguarding investments. This is essential for the orderly growth of the telecommunications sector.

In view of above, we recommend that:

- **IP-I registration should not be merged with the TRAI-recommended DCIP authorisation.**
- **TRAI may recommend maintaining the current licensing framework for IP-I (i.e., Registration).**
- **There is no need for separate DCIP Authorisations.**
- **IP-I should remain under the Registration type of authorisation in the new Telecommunications Act, 2023, maintaining existing terms and conditions, including no restriction on the validity period for the registration type authorisation.**

Q4. (a) Which telecommunication equipment/ elements should be included in the ambit of 'in-building solution' (IBS)?

(b) Whether there is a need to introduce a new authorisation under Section 3(1)(b) of the Telecommunications Act, 2023 for establishing, operating, maintaining or expanding in-building solution (IBS) by any property manager within the limits of a single building, compound or estate controlled, owned, or managed by it? If yes, what should be the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of such an authorisation? Please provide a detailed response with justifications.

Indus Towers's Response to CP "The Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023"

Indus Towers Response:

1. Please refer to our response to Q. No 1 to 3 and the preamble.
2. The Indian telecom industry has made significant investments to achieve the present state-of-the-art telecommunication network, faster network rollout, and improved accessibility across the country. It has reached a teledensity of over 85%, with more than 96% of the population covered by terrestrial networks.
3. Measures such as rationalising regulatory levies, ensuring no property taxes/levies on Towers /IP-I, safety & security of the telecom infrastructure, industrial tariff, pre-paid billing for electricity, Priority electricity connection to IP-I/TSPs, removing the USOF levy, and establishing faster and more cost-effective Right of Way (RoW) policies at the state level are essential to extend services to uncovered areas. **Any new changes should focus on enhancing the existing licensing framework instead of altering it.**

Accordingly, we recommend that no new authorisation under Section 3(1)(b) of the Telecommunications Act, 2023, be introduced for establishing, operating, maintaining, or expanding an in-building solution (IBS) by any property manager within the limits of a single building, compound, or estate controlled, owned, or managed by it.

Q23. In case it is decided for merging the scopes of the extant Infrastructure Provider-I (IP-I) and the Digital Connectivity Infrastructure Provider (DCIP) authorization into a single authorization under the Section 3(1)(b) of the Telecommunications Act, 2023, what should be the: -

(a) Minimum equity and networth of the Authorised entity.

(b) Amount of application processing fees

(c) Amount of entry fees

(d) Any other Fees/Charge

Please support your response with proper justification.

Indus Towers Response:

Please refer to the responses to Questions No. 1 to 3 and the preamble. We do not support merging the existing Infrastructure Provider-I (IP-I) Registration with the Digital Connectivity Infrastructure Provider (DCIP) authorization into a single authorization.
