

**TCIL Comments on
TRAI Consultation Paper on
Licensing Framework and Regulatory Mechanism for
Submarine Cable Landing in India**

Q.1. What limitations are being posed by existing licensing and regulatory provisions for laying submarine cables and setting up of CLS in India? Please answer with the detailed justification for changes required, if any.

TCIL comment:

The recent trend in submarine industry shows that content providers like Amazon, Google, Facebook etc. are bulk buyers of international bandwidth. The present business model is that the content providers are bulk buyers; they invest in form of fiber pairs in submarine cables. The ILDO benefits by recovering major cost of submarine cable project from content providers.

The present licensing in India leaves the content providers with two options: 1) either to get ILDO license or 2) enter into an agreement with an ILDO for planning a submarine cable landing.

Present criteria for getting permission of laying submarine cable allows only ILDO who completely owns the submarine cable or has a stake in the consortium. As the submarine cables span inter-continent over 1000s of km, it draws a very high investment of thousands crores. A percentage stake in such kind of cable will also mean hundred crores which implies, only financially profitable companies can invest and leverage this condition. The same is evident by the present investment in recently laid cables or upcoming cables. There are total 31 ILDO in India (refer annexure). Only few are able to invest.

Q.2 Which of the conditions, as stated in Para 2.10 be made applicable on the ILD licensee for applying permission /security clearance for laying and maintaining the submarine cable and setting up CLS in India? Please answer with the detailed justification.

TCIL comment

To make the market more open and competitive, it is suggested to implement “ILDOs not having any stake in consortium but signing agreement of ownership of submarine cable in Indian waters and submitting undertaking that they are owning the asset in Indian territorial waters” clause 2.10 (ii) of TRAI CP.

This will make the ILDO, a local agency responsible for all the activities in dry and wet plant in Indian Territory.

Q.3 Would an undersea cable repair vessel owned by an Indian entity help overcome the issues related to delays in undersea cable maintenance? Please provide justification for your answer.

TCIL Comment:

Yes, seeing the Indian coastline and number of existing and upcoming cables, it will be futuristic to have local Indian entity for cable repair.

Presently Indian region is covered by SEAICOMA. Any submarine cable cut takes more than 3 weeks to get repaired. It depends on number of factors like availability of ship for taking up the repair (which is done only after it completes its ongoing repair), and permissions for repair vessel for entering and operating in Indian Territorial waters.

Q.4 If the answer to the above question is yes, then please suggest possible mechanisms along with detailed justification and financial viability analysis for implementing this proposal.

TCIL comment:

The present model of consortium laid cable repair is based on two type of charges: Fixed Charges (Storage Charges towards spare of submarine cable and repeaters) and Variable Charges (Towards vessel movement and manpower in case of submarine cable cut). The total cost incurred by vessel is divided in portion to cable length maintained by the agency.

The current Chennai to A&N islands (CANI) project funded by USOF has invested Rs. 7 crore per year for fixed maintenance cost and Rs.14 crore for every cable cut. The same is expected to be replicated in Kochi to Lakshadweep and Alternate Submarine OFC connectivity for CANI project. This is resulting in a huge recurring investment by government towards submarine cable maintenance which are not otherwise viable so break-even is not expected.

USOF may decide to invest in a cable repair ship to take up the submarine cable repair along Indian Coastline. This should be implemented on PPP model. As the telcos will like to deal with a neutral agency with no conflict in each other business interest. We propose that TCIL, a PSU under DoT with IP-1 license can take up the role of local submarine cable repair entity.

A dedicated submarine cable repair vessel along Indian coastline will result in less time for attending any cable cut complaint and eliminate the need of permissions required for movement along Indian Territorial waters.

Q.5 What measures should be undertaken for promoting Domestic submarine cables for connecting coastal cities in India? What limitations are being posed by existing licensing and regulatory provisions for laying domestic submarine cables in India? What are the changes required in the existing licensing and

regulatory framework? Please answer in detail with the supporting document, if any.

TCIL Comment:

As such the need for taking up the domestic submarine cable connectivity of coastal cities is not taken up by any telecom operator. Till date most of the submarine cables investment in India is inter-continental landing at Chennai and Mumbai (some more locations likely to be added in upcoming cable).

Therefore, to encourage investment in domestic connectivity through submarine cable will need govt. intervention. A PPP model based project may be conceptualized to assess this connectivity.

The domestic submarine cable can be laid by a NLD license holders.

Q.6 Are any limitations being envisaged in respect of getting permissions and/or associated charges/ fee for laying domestic submarine cable and its Cable Landing Station? What are the suggested measures to overcome limitations, if any?

TCIL Comment: The permission process from multiple states in India may be discouraging for an investor. It is recommended to streamline the permission process and make it a single window clearance. Every state should identify a submarine cable laying corridor with pre define maritime approvals.

Q.7 Will it be beneficial to lay Stub-Cables in India? If yes, what should be the policy, licensing, and regulatory framework for laying, operationalizing, and maintaining the stub cable in India? Please answer in detail with the supporting documents, if any.

TCIL Comment:

As the theoretical life of submarine cable is 25 years. There can be difference in stub laying year and new submarine cable planned. Thus there can be mismatch in fiber characteristics and theoretical life of two cable: submarine and stub cable. Therefore this may not be a good option.

Q.8 What challenges are being posed by existing telecom licensing and /or any other framework for establishing terrestrial connectivity between different CLSs in India? What are possible solutions to such challenges? Please support your answer with detailed justification.

TCIL Comment:

Presently CLS are owned by individual telcos and so CLSs of same operator are connected on its own or leased telecom network. A futuristic solution is to create neutral data centres near coastine in every state. These data centres will provide equitable access of infrastructure like space, power etc to all operators .

Q.9 In comparison with other leading countries, what further measures must be undertaken in India for promoting investment to bring submarine cable in India? Please answer in detail with the supporting documents, if any.

TCIL Comment:

Single window clearance, clear laid out document list for seeking submarine cable laying clearance. More data centres along coast line.