



Cellular Operators Association of India

RSM/COAI/012
May 3, 2010

The Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
Jawahar Lal Nehru Marg (Old Minto Road)
Next to Zakir Hussain College
New Delhi – 110 002

Dear Sirs,

Sub: COAI Comments on "Allocation of Spectrum for Technologies such as DECT, to meet the Residential and Enterprise Intra-Telecommunication Requirements

This is with reference to your request for comments on the subject matter dated February 19, 2010.

The Authority has recommended allocation of a suitable band of 20 MHz between 1880 to 1930 MHz for DECT operations. Further, the Authority also makes the following proposals:

- a) It may be feasible to make either the 1880~1900 MHz band license free for Residential and Enterprise Applications while continuing to license this band to the Fixed Wireless Local Loop operators as the two applications can co-exist.
- b) Alternately, either one or both of the following bands 1900~1910 and 1910~1920 may be made available for license-free Residential and Enterprise Applications

Our comments in this regard are as follows:

A. India should continue to follow technology-neutral license regime

1. It is now a established licensing policy and enshrined concept in the NTP '99 that our telecom sector operates on a technology-neutral licensing regime.
2. **Any operator wishing to provide service that requires use of spectrum would have to be subject to the same rules and regulatory principles of spectrum allocation that have been currently defined and followed by the policy makers.**
3. Allocating substantial portions of spectrum for the purposes of a single niche technology would be entirely inconsistent with the basic licensing structure in India, and would highly be an inefficient use of valuable spectrum. It is also likely to lead to disputes and struggles to keep the licensee restricted to their defined technology – which will be extremely difficult to do given rapid technological developments.

4. **It is therefore requested that the Authority should not seek to allocate spectrum bands on differential terms simply based on technology** to be used because this has proven to be unsustainable in the past and will do so in the future. There can be no guarantee on the march of technology and thus providing spectrum for DECT services would create a fertile ground for further disputes, delays and consequent disruptions in the sector, which is highly undesirable.

B. Concerns of de-licensed band

1. The proposal of the Authority is to allow operation of communication services which are likely to be substitutable for licensed fixed and mobile services in unlicensed bands. This approach would be fraught with substantial implications given that services deployed over these spectrum bands are easily capable of being extended for mobility. The potential disruption of existing licensing norms, policies and established regulatory principles is therefore very significant. We sincerely submit that these need to be carefully and fully understood.
2. The mobile operators currently pay between 6-10% of AGR as license fees, and 2-6% of AGR as spectrum fees, plus substantial fees for microwave spectrum. DECT services would compete with some fixed and mobile services, but on an unlicensed basis. This would distort the entire premise of unified licenses and of the principle now adopted by auctioning spectrum to realize its true value. **Once DECT services become an alternative to mobile services, DECT providers would be given an unjustified cost advantage over mobile operators**, thus placing the mobile operators who have invested heavily in network, coverage and a customer base exceeding 600 million at a serious competitive disadvantage.
3. The other proposal of the Authority is to make 1880~1900 MHz band license free for Residential and Enterprise Applications while continuing to license it for Fixed Wireless Local Loop operators. This approach leaves a significant loophole to be exploited **because the same service would then be provided by one set of operators at zero or no regulatory cost while another set would be hobbled by license fee and spectrum usage payments. This would create serious competitive distortions on relation to substitutable services.**
4. It is extremely important that at this juncture that the Authority should not disturb or change the very fundamentals of transparency of allocation of spectrum via auction and technology neutrality which are the bedrocks of the Indian telecom sector now. Any ambiguity or change could create huge arbitrage opportunities which would be undesirable.
5. More importantly from government's perspective, unlicensed operations would substantially reduce the net revenues to the exchequer. While other spectrum bands are increasingly put up for auction and realizing substantial up-front fees, there is no justification for offering spectrum for commercial services without upfront or ongoing fees. **Spectrum is scarce in India and should not be given free to commercial services.**
6. Unlicensed operations would also pose substantial concerns in relation to other aspects of the terms and conditions of the license regime – **most importantly potential national security threats** as it would be difficult/ impossible to ensure that subscriber verification is conducted, and to impose necessary obligations regarding interception and monitoring.

7. **Introducing communications services into India which would substitute for existing fixed and mobile services on an unlicensed basis would therefore raise serious issues of losses to the exchequer, national security and competitive distortions.**

C. Interference with Adjacent Bands

1. The final recommendation of the Authority is allocation of a suitable band of 20 MHz between 1880 to 1930 MHz for DECT operations. This is an overlap with the ITU recommended and globally harmonized 3G band namely 1920-1980 MHz / paired with 2110-2170 MHz. The NFAP too has identified this band for IMT (3G) services. Given the importance of 3G services and the small quantity of 2.1 GHz spectrum which has been made available for commercial purposes in India we would like to submit that the entire band **should only be considered for 3G applications.**
2. As per the proposals of the Authority, either 1880-1900 MHz or 1900-1910 & 1910-1920 MHz could be considered for allocation to DECT.

These bands proposed by the Authority in TDD mode are adjoining to both 2G as well as 3G bands, which are deployed in FDD modes. **Such co-existence may cause interference and for smooth operations it is essential to protect these services from interference** of any kind to ensure the requisite levels of quality to customers.

3. **Hence, it is submitted that before any allocation is made to DECT, proper sharing studies for co-existence and interference free operations should be carried out to safeguard the 2G and 3G operations.**

D. No need of DECT phones in the presence of substitutes

1. We would like to state that in the present scenario, when anywhere and everywhere mobility can easily be provided through mobile phones, there is no requirement of DECT phones. **It is critical to note that any or all of the services that are felt to be provided by the specific technology of DECT are already being provided by existing licensed UASL/ CMTS.**
2. In particular, mobile telephony, which started nearly 15 years ago in India, has almost revolutionized the communication landscape in India and has permeated various segments of everyday life of citizens. Needless to mention, the importance of mobile in everyone's life has undergone a paradigm shift.
3. Moreover, mobile subscription in India is affordable, easier and faster to get. With low cost handsets and low value pre-pays, including micro-prepaid, there are virtually no barriers to entry.
4. Ease of use, clubbed with various value added services which come with the mobile service, have led to mobile becoming the preferred device for communication.
5. The mobile phone is also providing significant / tangible economic and social benefits to the common man and is also universally acknowledged.
6. The Indian mobile industry offers the lowest tariffs in the world and hence it is much more affordable and convenient for a person, even inside an office building to simply pick up

his/ her mobile phone and make a call rather than using any other means. Moreover, the handsets which are now deployed in the Indian market can provide increasingly sophisticated services – call forwarding, call conferencing etc.

7. The TRAI paper and the DECT marketing materials on which the paper is largely based, clearly outline that the services which can be provided by the DECT technology are closely substitutable for the fixed and mobile solutions which are already being offered on a licensed basis in the Indian market, and which will take a further leap forward with the introduction of competition in 3G mobile services.
8. **Hence, we believe that there is no requirement of DECT phones in the country as mobile telephony is serving the purpose.**

In view of our submissions above, we would request the Authority not to consider allocating or recommending allocation of spectrum to specific technologies which are in close proximity to existing applications and services and have the potential to transform into full fledged competing services at almost no cost and thereby completely disrupting the system simply because of regulatory arbitrage.

We request you to kindly consider our submissions and would be pleased to expand on any of the points in detail if required.

Kind regards,



Rajan S. Mathews
Director General

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