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Dated: 25th April 2017

To,
Advisor (Networks, Spectrum and Licensing),
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
J.L. Nehru Marg, Old Minto Road
New Delhi - 110002

Kind Attention: Shri Sanjeev Banzal

Subject: Consultation Paper on Ease of doing Telecom Business in India

Reference: Consultation Paper dated 14th March 2017

Dear Sir,

This is with reference to the above mentioned Consultation Paper on Ease of doing Telecom Business in India. In this regard, please find enclosed our response for your kind consideration.

Thanking you

Yours sincerely

For Bharti Airtel Limited

A handwritten signature in blue ink, appearing to read 'R. Gandhi', is written over a horizontal line.

Ravi P. Gandhi

Chief Regulatory Officer

Encl: As above

Bharti Airtel Limited's response to the TRAI Consultation Paper aimed at promoting ease of doing telecom business in India

At the outset, we would like to thank the Authority for providing us with the opportunity to submit our response to this consultation paper. Promoting the Ease of Doing Business reflects the Authority's commitment to fostering inclusive growth in the industry by making it faster, easier and more competitive to conduct business.

India has emerged as one of the key players in the global arena, with a huge potential for growth and development. It is among the fastest-growing economies today, due to factors such as a large and growing middle class with a high disposable income, a rich reservoir of skill and talent, and a large resource and cost advantage. The need for facilitating the ease of doing business is now more pressing than ever before, due to the recently launched 'Digital India' initiative. Digital India is a transformational programme that aims to bridge the digital divide and transform India into a digitally empowered society. The Indian Government, through its BharatNet initiative, is creating a digital architecture for the delivery of services to the common man. Telecommunications would serve as the very backbone of 'Digital India'. With the mobile subscriber base already having crossed the one billion mark, the next big opportunity is to provide broadband services to those billion people. Telecom service providers, infrastructure providers, telecom equipment manufacturers and handset manufacturers form the four pillars of the telecom industry, facilitating connectivity for more than a billion Indian citizens.

With reference to the aforementioned TRAI consultation paper published on 14th March 2017, we have listed below a few process-related concerns that require intervention from regulatory and statutory bodies. We believe that if taken on board, these suggestions would exponentially increase business growth in the Indian telecom sector.

1. Dispensing with the Non-Significant Regulatory Requirements and Reporting

(A) Dispensing with the requirement of Import Licenses for telecom equipment

As per the current regulatory requirements, telecom service providers are required to get the import licenses from WPC for RF equipment procured from outside India.

This requirement acts as a bottleneck for service providers as the equipment are held up for custom clearances on account of pending issuance of import licenses, which generally takes up to 1-2 months. Further, service providers are allowed to procure circle-specific Import Licenses only. They are not allowed to import bulk equipment in a particular service area and then deploy it in different service areas as per business requirements. As the equipment procured under a particular import license will be considered under the ownership of the respective circle only, the service provider will require additional permissions for the deployment of the respective equipment in other circles. This causes significant delays in the deployment of various network elements as per the network expansion requirements.

We understand that as telecom service providers have already acquired licenses and permissions to deploy the telecom network, there should be no mandate for the procurement of the import license from WPC for the import of telecom equipment.

(B) Discontinuation of non-significant directions and regulations

Various directions and guidelines issued by DoT/TRAI and other concerned authorities in the past have lost their significance in the current scenario and, hence, should be discontinued. A few such directions/guidelines are given below:

- i) All tariff details and contact information pertaining to complaint redressal are already being updated by service providers on their websites on a regular basis. Therefore, the publication of such details in newspapers twice in a year should no longer be enforced by TRAI.
- ii) As the customer is free to migrate to any plan after enrolment, based on his/her requirements, the collection of the Tariff Enrolment Form at the time of subscriber acquisition should no longer be mandatory.

2. Processes Related to Reporting Requirements

(A) E-Filing of various reports and applications with Government Authorities

Currently, service providers are required to submit various reports and applications to government authorities in the prescribed format, in the form of hard copies only. A lot of manual effort and paperwork is required in the preparation, printing and submission of these reports. Further, the storage and maintenance of such reports and documents adds to the cost as well as space requirements for both the Licensor and service providers.

The paperless submission of all respective reports and applications should be allowed by the Government/Authority. The authorities should introduce an online/automated approach for various regulatory submissions and approvals. A secured e-portal with a unique Login ID/Password access may be created by the concerned authorities for the submission of application/reports and the downloading of approvals. Periodical reports and compliances should also be allowed to be submitted to government agencies via e-mail.

(B) Single-Window permissions for Facilitating Tower permissions on Government Lands & Buildings

As per current process, service providers have to approach multiple agencies for the No Objection Certificates for installation of towers at government land & buildings. This causes significant delays in the issuance of permissions which subsequently delays the installation of the required telecom network by service providers.

It is therefore strongly recommended that telecom being the most essential and necessary infrastructure, a single window clearance or single point of contact for approval and installation of towers should be created across all states.

(C) Right-of-way Permissions

The government has brought out an Official Gazette dated 15th November 2016 to be termed as Indian Telegraph Right of Way Rules, 2016, wherein it has directed the state governments for establishment of single electronic application process for all appropriate authorities under state control in a time frame of one year. It is expected that post release of above notifications state governments will formulate the online application process and will designate nodal officers in the aforementioned time frame. The above guidelines are much expected to release the complication in the RoW policy but the implementation of same in next 7 months seems a challenge.

It is requested to recommend one central monitoring cell (designated), for effective implementation of the aforementioned policy and which can also act as single window for telecom service providers for resolution of any issues across states.

3. Processes Related to Usage of Spectrum

(A) Liberalisation of Satellite Spectrum

Service Providers should be allowed to hire/sub-lease the satellite transponder capacity based on their business requirements. The Service Provider should also be allowed to use/share the hired Satellite spectrum for any application, i.e., VSAT/DTH/Teleport or other telecom services.

This will facilitate the optimum utilization of the satellite spectrum resources, ensuring the provision of quality services to the customers.

(B) Single-Window Assignment of Satellite Spectrum

Currently, service providers have to approach various government agencies such as ISRO, Antrix, NOCC, and WPC for the allocation of required satellite spectrum, which causes significant delays in the spectrum allocation process and, subsequently, also impacts the timely operationalization of the respective satellite network.

A single-window clearance process needs to be established to enable faster assignment of spectrum to satellite service providers.

(C) Spectrum sharing to be allowed for VSAT Spectrum

Spectrum sharing between VSAT/DTH/Teleport/DSNG/NLD/ILD/other Telecom businesses of a Service Provider needs to be permitted, in order to synergise the bandwidth resources for effective utilisation.

(D) Illegal sourcing of repeaters/ Jammers to be stopped due to Security & Network related issues

As per the telegraph act, telecom equipment can only be sold by the authorized licensees. However, due to laxity in implementation of law, there is a continuous influx of illegal repeaters and jammers from outside the country (mostly from china). Moreover, these

equipment are sold openly in the market by the local equipment vendors and through the e-commerce market and hence the same are easily available to the public at large. These equipment are not only interfering to the TSPs network, but also degrade the quality parameters of the network. Therefore the illegal sourcing of repeaters/ Jammers should be immediately stopped due to Security & Network related issues

(E) Review of SACFA Clearance Requirements and Processes

SACFA clearance is essentially an approval pertaining to the height of telecom sites and helps to avoid any frequency interference among the service providers.

- i) As per the current process, although the SACFA application can be submitted online, WPC still requires the submission of the hard copies of various documents, along with the payment details. The SACFA application and clearance processes should be made paperless end-to-end, and the clearance should be automated. Further, as all the technical parameters pertaining to radiation of the respective sites, i.e., emission, radiating power, etc. have already being specified by WPC in the frequency assignment letters, an online process should be created by WPC for the submission and issuance of SACFA clearances in paperless mode.
- ii) The service providers have deployed a massive network to cater to the needs of the customers as well as be in compliance with the applicable regulatory requirements. The processing of the SACFA applications has been affected considerably on account of the payment-verification related issues, which in turn has significantly delayed the timely issuance of the required SACFA clearances. This delay subsequently hampers the timely deployment of the required telecom network. Therefore, the payment details of the SACFA applications fees should be completely de-linked from the SACFA application process. In place of the existing mechanism, DoT should allow a consolidated payment mechanism for the respective SACFA applications on a monthly basis, considering the estimated amount of the SACFA applications processed/to be processed.
- iii) Currently, service providers are required to pay Rs. 1000/- per SACFA application as the application processing fees. As service providers are continuously deploying a huge network with approx. 20,000 sites per month, this SACFA application fees amounts to a huge expenditure for the service providers. As service providers are already paying a huge cost to the government for the spectrum procured in the auctions, there should not be any additional cost implications pertaining to operationalization of the respective spectrum in terms of any related clearances. Therefore, the payment of SACFA application fees should no longer be mandatory.
- iv) Details for the Microwave connectivity of the RF sites should be incorporated in the SACFA applications of the respective RF sites itself. This will enable service providers to avoid the filing of additional SACFA applications for the respective Microwave sites and to save on the SACFA application costs for the respective Microwave sites.

- v) SACFA applications should be made technology-independent as the spectrum allocated to TSPs is liberalized and can, therefore, be used for all applicable technologies. The main purpose of obtaining SACFA clearance is to ensure aviation safety and security, which can be addressed by getting a single clearance for the respective antenna/tower height. The filing of multiple applications for a single site under different technologies will only add to the efforts required by the government as well as service providers), along with the additional financial burden on service providers in terms of SACFA application fees.

(F) Dispensing with the requirement of Minimum Roll-out Obligations (MRO) Testing Fees

Telecom service providers pay very huge cost to the government for the procurement of required spectrum through spectrum auctions. Further, in the current highly competitive market scenario, service providers are also incurring heavy expenditures to operationalize the respective spectrum for the desired business and coverage requirements. As service providers are already paying a huge spectrum cost, there should not be any additional requirements related to the payment of service testing fees for the respective Minimum Roll-out Obligations (MRO). DoT may impose the service testing fees as a penalty in case the service provider does not meet the coverage requirements for the respective MRO during the first attempt and re-testing is required by TERM cell for the same.

(G) Revalidation/Reassignment of the Old Service Test Certificates to New Licenses

In case of service areas where the service provider's old licenses (e.g. UASL/CMTS) have expired and have been migrated to new authorizations under the Unified License, the respective MRO testing certificates issued under the old license should be re-validated/re-assigned by the TERM cell to the new service authorization without imposing any additional requirements of coverage testing or payment of MRO testing fees. As in the aforementioned cases, service providers have already been operational in the respective service areas for a significant duration of time, i.e., the erstwhile license period of approx. 20 years, and all the coverage requirements have already been met by the service provider under the earlier license as per applicable regulatory requirements; any fresh coverage testing or compliance does not hold any sanctity.

4. Processes Related to Subscriber Acquisition and Service Provisioning

(A) E-Acquisition and E-Storage of Subscriber Documentations

E-acquisition should be mandated for both categories of customers, i.e., individual and enterprise customers, subject to the submission of mandatory information/documents by the customers. As the subscriber acquisition process for individual customers is moving toward the e-KYC regime e.g., Aadhar-based e-KYC, the cumbersome process for the filing of hard copies and the collection of subscriber acquisition documents for enterprise customers should also be routed through web-portals, e-CAFs, etc.

This will facilitate faster provisioning of the telecom services to the customers without any hassles relating to multiple documentation filings and submissions.

E-storage of subscriber documentation should also be allowed by the concerned authorities, instead of the existing mandatory storage of hard copies. This will be an environment-friendly step and ensure that service providers reduce their operational cost in terms of warehouse space/charges as well as the costs involved in collection, transit and storage of hard copies.

(B) Mandatory provisioning of E-Bills/M-Bills

E-bills/M-bills should be mandated for all telecom customers as they enable easy availability of information on the user's device itself. The provision of receiving a hard copy of the bill can be retained as an option for the customers.

Mandating E-bill/M-bill would be an environment-friendly initiative in line with the Government's Digital India initiative.

(C) Simplification of Mobile Number Portability (MNP) for Intra-Operator (Inter-Circle) Migration

As per the current national MNP regulations, both intra-operator and inter-operator MNP processes are considered at par and are thus subjected to the same timelines and procedures. In case of intra-operator migration, where the customer remains within the network of the existing service provider only, the current applicable timelines and processes lead to unnecessary delays in the completion of the MNP process.

A separate and simplified process in terms of timelines and implementation would facilitate the significant reduction in turn-around time for the intra-operator MNP processes.

(D) Recognition of Digital Signatures for execution of contracts/agreements

Non-recognition of digital signatures/e-signatures for customer documentations and reporting requirements suggested by DoT/TRAI mandates the execution of all relevant contracts in hard copy only.

The acceptance of digital signatures/e-signatures for customer documentation and reporting requirements will facilitate the faster execution of contracts with customers and service providers.

(E) Subscriber Verification process for J&K, North East and Assam service areas

At present, the subscriber verification process for the acquisition of new customers in the J&K, Assam and North East circles is different from other circles. Considering the fact that a robust e-KYC process on the basis of the Aadhar-based verification has been introduced, the subscriber verification process devised for these circles should be done away with in case the subscribers are being acquired via an e-KYC based process.

(F) Permit National roaming to prepaid customers in J&K service area

At present, national roaming in J&K is allowed only for post-paid customers. Since the Aadhar-based e-KYC process provides for a secure and robust mechanism of subscriber

verification, prepaid subscribers who have been verified via the e-KYC route should be allowed national roaming in the J&K service area.

(G) Continuation of prepaid services in telecom circles of J&K, Assam and North East

At present, prepaid services are extended on a yearly basis in the Assam, North East and J&K circles. Every year, the extension process puts business at risk, as there is always uncertainty regarding the continuity of prepaid services. It is suggested that prepaid services should be allowed to continue for subscribers verified via e-KYC. Going forward, once the verification starts to happen through an Aadhar-based e-KYC process, we believe the prepaid services should be allowed on a permanent basis.

(H) Age on network to be considered from date of tele verification instead of CAF date

In case of MNP regulations, the porting request can be rejected in case the age on network of the customer is less than 90 days. For calculation of age on network, TRAI considers the date of Customer Application Form (CAF). As the services, billing etc. of the customer starts only from the date of tele-verification only and not as per the date of CAF, it is requested that Tele verification date should be considered for calculation of age on network.

5. Processes Related to the Sharing of Revenue and Payment of License Fees and Spectrum Charges

(A) Issues pertaining to the definition of Adjusted Gross Revenue

The varied and subjective interpretation of the definition of Gross Revenue has led to numerous debates, disputes, audits and litigations in the industry. Currently, the Department of Telecommunications includes the revenue from non-telecom business activities as well, for the purpose of calculation of revenue share dues.

However, we believe that only the revenue accrued from the licensed telecom activities (*i.e. for which exclusive license has been granted under Indian Telegraph Act*) should be considered.

TRAI has also consistently maintained that the license fees should be payable only on the revenue received from the licensed activities and that spectrum usage charges (SUC) should be applicable only on spectrum-related services.

The interpretation of the definitions of Gross Revenue (GR) and Adjusted Gross Revenue (AGR) need to be clarified so as to remove any scope of ambiguity and to bring transparency to the revenue-sharing regime. It would also help to pave the way for a logical, transparent and time-bound assessment process.

(B) Suggestions on Designing the Revenue-Sharing Framework

The two guiding principles given below should be followed by the authorities while designing the framework for the revenue sharing regime:

- i) **Scope of the revenue**, *i.e.*, the identification of items/activities to be construed as 'revenue'. This is to ensure that License Fees and Spectrum Usage Charges are payable only on the revenue from licensed activities.

- ii) **Determination of revenue**, i.e., the methodology to compute the amount of 'revenue'. This is to ensure that the methodology for determining the revenue for LF and SUC pay-outs is consistent with accounting principles and other financial laws.

(C) Procedural Simplicity in the Assessment Process

The current assessment processes pertaining to License Fees are very complicated and highly document-oriented, viz., they require a lot of paperwork and manpower. They are very time-consuming as well. These processes can be replaced with the following alternatives, without compromising on the compliance/assessment requirements:

- i) Instead of doing a 100% verification, the approach of "Audit of Audits" can be adopted by relying on the audited submission. This will enable service providers to avoid duplication of efforts on an audit of the same nature and size (i.e., initially with auditors and then subsequently with DoT).
- ii) The implementation of License Fees Deduction at Source (LfDS), which has been explained in detail by the service providers in response to the consultation process on Gross Revenue and Adjusted Gross Revenue during 2014 (Consultation Paper No. 09/2014, dated 31st July 2014).

(D) Simplification of processes related to payment of License Fees and Release of Bank Guarantees

- i) **Release of Bank Guarantees:** The current processes related to the return of Bank Guarantees from the concerned CCA office is very tedious and time-consuming. We recommend that there should be clear and time-bound processes in place to facilitate the return of bank guarantees in a streamlined and efficient manner.
- ii) **E-Submission of License Fees and Spectrum Charges:** The online payment mechanism implemented for the payment of License Fees and Spectrum Charges has drastically reduced the fund's floating time from 4-5 days to 1-2 days. Therefore, in order to support the Digital India initiative, it would be advisable to allow online payment and submission of supporting documents in digital form, wherein such documents can be uploaded on a specific web portal or shared via email.

(E) Reduction in regulatory levies & simplification of SUC rate to a flat rate.

Operators have a mix of spectrum acquired in different bands and auctions leading to determination of SUC rate via weighted average method, which is complex as well as subject to various interpretations.

To maintain uniformity and to ensure ease of business, it is suggested to levy a flat SUC rate and bring it down to @ 1% across all the LSAs and across all the spectrum spread over different spectrum bands.

6. Removal of unrealistic compliance requirements

(A) Submission of customer location details (as per Unified License, Clause 8.5)

Clause 8.5 (i) states that the Licensee shall provide location details of mobile customers in the Service Area, as per the below-mentioned accuracy and time frame (from the effective date of this License). It shall be a part of the CDR in the form of longitude and latitude, apart from the coordinates of the BTS, which is already one of the mandatory fields under CDR.

<i>Accuracy in Percentage</i>							
<i>Distance (in Meters)</i>	<i>Urban (More than 1 million mobiles in a municipal limit)</i>		<i>Sub-urban & Rural</i>			<i>Remote</i>	
	<i>1 year</i>	<i>2 years</i>	<i>1 year*</i>	<i>2 years</i>	<i>3 years</i>	<i>2 years</i>	<i>3 years</i>
<i>50</i>	<i>30</i>	<i>50</i>					
<i>100</i>	<i>60</i>	<i>75</i>		<i>50</i>	<i>60</i>		<i>-</i>
<i>300</i>	<i>80</i>	<i>95</i>	<i>50</i>	<i>60</i>	<i>70</i>	<i>50</i>	<i>60</i>
<i>500</i>			<i>60</i>	<i>70</i>	<i>80</i>	<i>60</i>	<i>70</i>

**Applicable for the states of J&K, Assam and NE region*

To start with, these details will be provided for specified mobile numbers. However, within a period of 3 years from the effective date of license, location details shall be part of CDR for all mobile calls.

All TSPs have deployed technologies that help in obtaining location-based information; however, the accuracy levels indicated in Clause 8(i) are practically impossible to achieve.

Further, requiring the location details to be a part of CDR has also been deliberated at length and it has been concluded that it is not feasible enough to implement.

It is, therefore, important that such unrealistic conditions should be removed from licenses. We recommend that such clauses be modified to ensure they are practically feasible.

(B) Guidelines on Renewable Energy Technologies (RETs)

The Licensee shall adopt Renewable Energy Technologies (RETs) for powering the telecom network, deploying energy-efficient equipment and reducing the carbon footprint as per the prevailing directions/instructions, and shall abide by any further directions/instructions that might be issued in this regard by the Licensor/TRAI from time to time.

The present guidelines are impractical. They not only prescribe the level of carbon reduction but also mandate practically impossible targets in terms of RET site deployment. DoT has already referred this matter to TRAI.

Conclusion

This consultation process initiated by the Authority to improve the Ease of Doing Business in the Indian telecom industry is a welcome step. We hope this will pave the way towards the simplification and digitalization of numerous regulatory processes and requirements. These simplified and digitalized processes will surely facilitate service providers to operate in a business-friendly environment and to offer better quality of services to their users with minimal procedural constraints.