



RSM/COAI/2020/049

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Subject: COAI Response to the TRAI Consultation Paper on 'Provision of Cellular backhaul connectivity via Satellite through VSAT under Commercial VSAT CUG Service Authorization'

Dear Sir,

This is with reference to the TRAI Consultation Paper on "Provision of Cellular backhaul connectivity via Satellite through VSAT under Commercial VSAT CUG Service Authorization" released on January 29, 2020.

In this regard, please find enclosed COAI response to the Consultation Paper.

We hope that our submission will merit your kind consideration and support.

With Regards,

Yours faithfully,

Rajan S. Mathews
Director General



Response to the TRAI Consultation Paper on ‘Provision of Cellular backhaul connectivity via Satellite through VSAT under Commercial VSAT CUG Service Authorization’ released on January 29, 2020

At the outset, COAI welcomes the opportunity to comment on the TRAI Consultation Paper on ‘Provision of Cellular backhaul connectivity via Satellite through VSAT under Commercial VSAT CUG Service Authorization’.

We would like to make the following submissions on the issues raised by TRAI in the consultation paper:

Q1. Keeping in view the connectivity requirements in remote and difficult areas, should the Commercial VSAT CUG service provider be permitted to provide backhaul connectivity for mobile services and Wi-Fi hotspots via Satellite? Please justify your answer.

COAI Response:

Commercial VSAT CUG providing Backhaul to the mobile services:

1. We are of the view that the Commercial VSAT CUG service provider should be permitted to provide backhaul connectivity for mobile services.
2. Commercial VSAT CUG service provider can not only provide the backhaul connectivity for cellular networks effectively but will also help in:
 - a. Bring the competitiveness in providing the capacity and connectivity to backhaul
 - b. Provide connectivity requirements in remote, rural, hilly areas and difficult terrains
 - c. Reduce the cost of establishing the backhaul infrastructure vis-à-vis some of the other backhaul techniques
 - d. Quicker roll out

Commercial VSAT CUG providing Backhaul to the Wi-Fi Hotspots:

3. The Commercial VSAT CUG service providers can provide internet to the end customers provided they also have internet license / UL (ISP Authorization).

4. We, therefore, are of the view that the Commercial VSAT CUG service providers can provide internet connectivity to an entity having ISP License and deploying Wi-fi hotspots.
5. Hence, there is no pertinent need to allow Commercial VSAT CUG service providers to provide bare backhaul capacity to Wi-fi hotspot providers and the same can be provided as Internet connectivity/ bandwidth to the ISPs provisioning Wi-fi hotspots.

Q2. Whether the scope of Commercial VSAT CUG Service Authorization be enhanced under both Unified License and UL(VNO) license to enable the provision of the said backhaul connectivity? Please justify your answer.

COAI Response:

1. Yes, the scope of Commercial VSAT CUG Service Authorization should be enhanced under both Unified License and UL (VNO) license to enable the provision of the backhaul connectivity for mobile services only.
2. The scope of the VSAT should be enhanced to the extent of providing the Satellite based Backhaul to the mobile services and the Long-distance carriage rights, granted for NLD, ILD and Access services should not be covered under the scope of this service.

Q3. Should the licensee having authorization for both Commercial VSAT CUG and NLD services be allowed to share VSAT Hub & VSAT terminals for the purpose of providing authorized services? Please justify your answer.

COAI Response:

1. We are of the view that the licensee having authorization for both Commercial VSAT CUG and NLD services **be allowed to share VSAT Hub & VSAT terminals for providing authorized services.**
2. Currently, licensee having both NLD Service Authorization and Commercial VSAT CUG Service Authorization is not permitted to share the VSAT Hub installed to provide the backhaul bandwidth under the NLD service authorization. Additionally, the VSAT Hub has to be in the same service area where the Main Switching Centre (MSC) is located. As DoT has allowed installation of MSC in any location within India, the said restriction needs to be done away with.

Q4. Whether the licensee should be permitted to share its own active and passive infrastructure for providing various services authorized to it under the other service authorization of UL and/ or other licenses?

[In other words, whether clause 4.3 of Chapter -VIII (Access Service authorization) be made applicable for all other authorizations also]

Is there a need to impose any restrictions? Please enumerate and justify your answer.

COAI Response:

1. In this regard, we would like to submit that the licensee should be permitted to share its active and passive infrastructure for providing services authorized to it under the other service authorization of UL and/or other licenses.
2. Considering above, we propose that Clause 4.3 of Chapter VIII (Access Service Authorization) should be extended to all other authorizations also.
3. Accordingly, the regime of pass-through charges for admissibility of deductions from Gross Revenue for the levy of LF & SUC be reviewed and all kind of payments (either fixed or variable) made for any telecom input resource by one TSP (Licensee) to another TSP (Licensee) should be allowed as a deduction to the former.

Q5. Whether formula-based spectrum charging mechanism for VSAT services in NLD/Access license is adequate and appropriate? If not, whether spectrum charging for VSAT services in NLD/Access service license should be made on AGR basis instead of existing formula basis mechanism? Whether it will require accounting/ revenue separation for satellite based VSAT services under NLD/Access license? Please elaborate and provide proper justification.

COAI Response:

1. We are of the view that the Formula based spectrum charges for VSAT services provided under NLD/ Access Authorization are exorbitant and not be appropriate. Hence, formula-based charges should be done away with.
2. To have equity across different license, WPC spectrum charges for VSAT services in NLD/ Access License should be charged at a percentage of AGR from the provision of the VSAT services instead of existing formula-based mechanism.
3. We are of the view that the AGR based spectrum charge for the VSAT services, provided under NLD/ Access Authorization, will require due accounting/revenue segregation to record separately revenue from the provision of VSAT services under NLD/Access License.

Q6. Please give your comments on any related matter not covered in this Consultation paper.

COAI Response:

1. WPC Spectrum Charges paid by VSAT operators:

- a. Currently, the VSAT operator under Commercial VSAT CUG Service License is required to pay 3-4% of AGR as SUC depending upon the data rate.
- b. TRAI vide its recommendations on 'Spectrum Usage Charges and Presumptive Adjusted Gross Revenue for Internet Service Providers and Commercial Very Small Aperture Terminal Service Providers' dated 7th March 2017 has recommended SUC not more than 1% of AGR.
- c. **TRAI may seek implementation of the said Recommendations by DoT/ WPC immediately.**
