

Ref: C/Telecom/PGCIL/ISP-TRAI

Date: 14 Oct 2020

To

Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan,
J.L. Nehru Marg, Old Minto Road,
New Delhi-110002

Kind Attention: Sh. S. T. Abbas, Jt. Advisor (NSL)

Dear Sir,

Sub: Response to Consultation Paper on Enabling Unbundling of Different Layers through Differential Licensing

The response on the queries raised in Consultation Paper on "Enabling Unbundling of Different Layers through Differential Licensing" dated 20 Aug 2020 is enclosed herewith for your kind consideration.

Yours sincerely



(Sudesh Kumar Yadav)
Sr. DGM (Telecom-Core Group)

**POWERGRID's Response to TRAI Consultation Paper no 7/2020
(Enabling Unbundling of Different Layers through Differential Licensing)**

Q1. Do you agree that in order to attract investment and strengthen the service delivery segment, Network services layer and Service delivery layer needs to be separated by introducing specific license for Network Layer alone? Please justify your answer.

Yes. Network services layer and Service delivery layer may be separated by introducing specific licenses.

Q2. Should the Network Services Layer licensee be permitted to take the Service Delivery Category licenses and provide the service? If yes, what kind of restrictions and safeguards are required to be built, in order to protect the competition and innovation in service delivery segment? Please justify your answer.

Yes. The Network Layer Licensee should also be allowed to also provide services under the Service Delivery layer.

Forces of market competition are very strong in ensuring that offerings of network service layer have effectively become a commodity. Further, due to technological advancements, equipment capacity has increased manifold and it is necessary for a network services layer operator to share its resources to ensure monetization and viable return on investment (RoI). In view of the above, it is not required to impose restrictions and safeguards on Network Service Layer Operators.

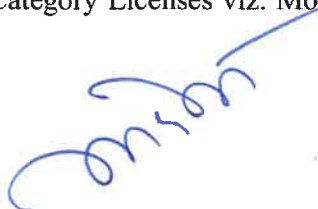
Q3. Whether certain obligations should be imposed on the existing Unified Licensees, and other measures should be taken to encourage UL licensees to provide their network resources to VNO licensees particularly in mobile service segment? Please suggest the measures in detail.

No Obligations should be imposed on the existing Unified Licensees to provide their network resources to VNO licensees in any segment. Market forces are sufficient to ensure that VNO licensees are not discriminated against.

Q4. In case network layer and service delivery layer are separated by creating separate category of licenses, as proposed in Q1;

a) What should be the scope for Network layer license and Service Category licenses?

Network Layer Licensee shall be on All India Level and allowed to own, install and operate all Network equipment whether Voice or Data on both access and long distance routes. There shall be 2 types of service Category Licenses viz. Mobility & Non-Mobility. Licensed Band



Spectrum shall continue to be separate from License and only Mobility Service Layer Licensee shall be allowed to bid for spectrum.

Further, Service Category License shall be for All India, Specific Telecom Circle or Secondary Switching Area (SSA).

b) Out of various responsibilities and obligations enumerated in Unified License, what should be the respective responsibilities and obligations of Network layer licensees and Service delivery category licensees? Please elaborate with justifications.

Obligation	Network Layer License	Service Category License	
		Mobility	Non-Mobility
Commercial Conditions	Yes	Yes	Yes
Financial Conditions (License Fee)	No	Yes	Yes
Technical Conditions	Yes	Yes	Yes
Operating Conditions	Yes	Yes	Yes
Security	No	Yes	Yes
Spectrum Allotment and Use	No	Yes	No
Rollout Obligation	Yes	Yes	Yes

Scope of Operations should be clearly defined considering data networks for both Network Service Layer Operators and Service Based Operators.

c) What mechanism should be put in place to regulate the access to network services of Network layer licensees by the service delivery Category licensees? Whether certain obligations should be imposed on Network layer licensees to provide the network resources in a time-bound, transparent and non-discriminatory manner?

Network Layer Licensee shall be responsible to provide the network resources in a time-bound, transparent and non-discriminatory manner subject to technical feasibility and commercial viability.

d) What incentives (for example, lower license fee, lower SUC, etc.) could be provided to Network Layer licensees in the new unbundled licensing regime to encourage the investment in the Network layer? Please justify your answer.

The services of the Network Layer licensee are an input to many Service delivery Licensees. A saving in the cost of Network Layer will translate to savings for many Service Delivery Licensees and make their Telecom Service more affordable. Further, it will increase the investment required for much needed and timely technology upgrade and expansion to underserved areas. Therefore, Network Layer licensees may be exempt from any license fee.

Further, the charges paid to another licensee should be allowed as deductible from the Gross Revenue for calculation of Adjusted Gross Revenue and license fee to be paid by any licensee to DoT. This will reduce the build-up of the chain of license fee over license fee paid by a supplier thereby decreasing the burden of customer.

e) Whether the existing Unified Licensees should be mandated to migrate to the unbundled licensing regime, or the new regime should be introduced, while keeping the existing regime continued for existing licensees till the validity of their license, with an option of migration?

Existing Unified Licensees should be mandated to migrate with a simplified application and adjusted entry fee for un-utilized validity period of their respective licenses.

f) Whether existing VNO licensees be mandated to migrate to service delivery category licenses as per unbundled licensing regime?

Yes. VNO Licensees should be mandated to migrate within reasonable time with a simplified application and adjusted entry fee for un-utilized validity period of their respective licenses.

g) Whether service delivery category licensees be permitted to parent with multiple Network Service layer licensees? Please justify your answer.

Yes. This will encourage competition amongst Network Service Layer Licensees for Network coverage, Quality of Service and Price. Further, wherever the network for one Network Service Layer Licensee is not available, the VNO has the option to take it from other Network Service Layer Licensee.

Q5. Any other issue related to the subject may be raised with suitable explanation and justification.

- a) Various Utilities such as Gas Pipeline, Water Supply, Power Distribution and Transmission etc. own spare resources that may be used for telecom infrastructure. Further, Municipal Authorities, RWAs etc. own Right of Way. Such entities should be encouraged to efficiently utilize the already created infrastructure or to create infrastructure for the use of Licensed Network Layer TSPs without encumbering upon them the reporting and other obligatory licensing requirements.
- b) Further, DoT has released the RoW Rules 2016 to facilitate RoW to Telecom licensees. However, it may be noted that the licensees are still facing issues in getting RoW for last mile access in some areas. TRAI / DoT may please incorporate suitable enabling provisions in the license of Network Layer Service Providers so that the implementation of RoW Rules 2016 may be implemented across the country uniformly.
- c) To enable competition through easy entry / exit of new operators, license entry fee may be returned on pro rata basis for the remaining validity of license period upon surrender of license.

