

The logo for Reliance, featuring the word "RELIANCE" in white, uppercase, sans-serif font. The letter "I" is replaced by a red triangle pointing upwards. The logo is set against a blue rectangular background.

RELIANCE

**Comments on TRAI Consultation Paper
on
“Review of Scope of Infrastructure Providers
Category-I
(IP-I) Registration”**

Reliance Communications Ltd welcomes opportunity extended to comment on the above captioned consultation paper.

RCOM's specific comments on issues raised in the consultation paper are given below:

Q1. Should the scope of Infrastructure Providers Category – I (IP-I) registration be enhanced to include provisioning of common sharable active infrastructure also?

Q2. In case the answer to the preceding question is in the affirmative, then

i) What should be common sharable active infrastructure elements which can be permitted to be owned, established, and maintained by IP-I for provisioning on rent/lease/sale basis to service providers/permitted/registered with DoT/ MIB? Please provide details of common sharable active infrastructure elements as well as the category of telecommunication service providers with whom such active infrastructure elements can be shared by IP-I, with justification.

ii) Should IP-I be allowed to provide end-to-end bandwidth through leased lines to service providers licensed/ permitted/ registered with DoT/ MIB also? If yes, please provide details of category of service providers to it may be permitted with justification.

iii) Whether the existing registration conditions applicable for IP-I are appropriate for enhanced scope or some change is required? If change is suggested, then please provide details with reasoning and justification.

iv) Should IP-I be made eligible to obtain Wireless Telegraphy Licenses from Wireless Planning and Coordination (WPC) wing of the DoT for possessing and importing wireless equipment? What methodology should be adopted for this purpose?

v) Should Microwave Backbone (MWB) spectrum allocation be permitted to IP-I for establishing point to point backbone connectivity using wireless transmission systems?

RCOM Response:

It is important to look at the background before the questions are answered. Department of Telecommunications (DoT) introduced IP-I (Infrastructure Providers Category-I) registrations and IP-II (Infrastructure Providers Category-II) licenses in the year 2000. Prior to this, the

telecom infrastructure was to be owned, established, and maintained by the licensed telecom service providers only. IP-II licensees could lease / rent out /sale end to end bandwidth i.e. digital transmission capacity capable of carrying a message to the other Licensees of Telecom Services. The IP-II licensee was required to establish necessary digital network for the purpose. However, they were not allowed to directly access or connect the subscribers through last mile linkages; except for Other Service Providers registered with DoT. From 13.08.2000 onwards, Infrastructure Provider Category-II licences were issued by DoT but the same were discontinued w.e.f. 14.12.2005. **As per the arrangement put in place in the year 2000, while IP-II could establish digital network, provide transmission capacity, and required to pay licence fee;** IP-I could provide passive infrastructure only and did not require to pay license fee since its inception. When IP-II category was discontinued w.e.f. 14.12.2005, the existing IP-II licensees were asked to migrate to NLD (National Long Distance) licence and also allowed the NLD licensees to provide bandwidth or leased circuit connectivity to end customers also.

Coming to the questions raised in the consultation paper we would like to state that the answer to Question 1 is No.

IP-I registration **should not** be enhanced to include provisioning of common sharable active infrastructure as such enhancement of scope will create a cost arbitrage between TSP and IP-I for providing the same services . In the current regulatory regime, the active infrastructure creation and sharing is permitted to telecom Licensees only and they are subjected to LF and SUC. IP-I are not subjected to any LF and SUC and hence any provision to them to provide and share active infrastructure will lead to non level playing field for existing TSPs.

Q3) In case the answer to the preceding question in part (1) is in the negative, then suggest alternative means to facilitate faster rollout of active infrastructure elements at competitive prices.

RCOM response

One of the missions of NDCP 2018 is *“Propel India: Enabling Next Generation Technologies and Services through Investments, Innovation, Indigenous Manufacturing and IPR Generation.”*

To achieve this mission, the NDCP has worked out strategies. One of the strategies identified for bringing in more investment into the sector is

“Enabling unbundling of different layers (e.g. infrastructure, network, services and applications layer) through differential licensing”

In light of this it is requested that the Regulator should lay down the entire frame work in one go only and not try to tinker the existing framework in a piece meal manner. Any piece meal effort may lead to arbitrage issues as well as legal challenges.

We recommend three layered model as envisaged in the NDCP 2018 and followed in Europe should be implemented. Three layers of licensees would be as follows:

- The **Physical Infrastructure Provider (PIP)**, which owns and maintains the passive infrastructure. This role may include all the scope of present IP-I. The infrastructure created by this category of players should be available to all players of layer above on non-discriminatory basis. These service providers should be allowed put infrastructure in access network.
- **The Network Provider (NP)**, which operates (and typically owns) the active equipment such as incumbent operators, new independent operators, broadband companies. Entities from these categories should be allowed to own spectrum, number series and should be responsible for interconnection .These entities should mandatorily share the services with players of level above on Non-discriminatory basis. Also they should be allowed to claim deduction of charges paid to PIPs while arriving at their AGR for License fee and Spectrum Usage Charges.
- **The Service Provider (SP)**, which delivers the digital services to the customers. For example: voice both mobile and fixed, data, e-health, elderly care, TV, Internet, video-conferencing, entertainment, smart monitoring, IOT services, M2M and so on. Also they should be allowed to claim deduction of charges paid to NPs while arriving at their AGR for License fee and Spectrum Usage Charges.

Existing UASL/NLD/ILD/ISP/Unified License may accordingly be given licenses for all these three layers.

A detailed consultation on the scope of suggested licenses and migration of existing license/authorization (Access, ISP, ILD &NLD etc) would need to be undertaken. We would request the Authority to come up with a Consultation on the same..

Q4) Any other issue relevant to this subject.

With the evolvment of technology there is bigger scope of infrastructure sharing. One prime example is in terms of switch sharing. Currently the switch sharing is permitted across Access, NLD and ILD licenses held by the same company. It is time we look at sharing of switches across different licensed entities belonging to different companies