

TAMILNADU PROGRESSIVE CONSUMER CENTRE

Regd. No. 166/89

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Dated: 22-05-2008

To

The Chairman,
Telecom Regulatory Authority of India,
Jawaharlal Marg,
New Delhi 110 002.

Sir

Sub : Comments on the consultation paper no9/2008 regarding virtual networks.

We are a voluntary consumer organization serving to protect the rights of the consumers for the past two decades.

We would like to put on record the commendable efforts of TRAI in regulating telecom and broadcasting sector in the country so as to protect the interest of the consumers. We herewith enclose our comments to the said consultation paper in the larger interest of the consumers. We have also sent a copy of comment through e-mail.

Thanking you and assuring you our best of services to protect the rights of the consumers.

Yours in consumer service
For TPCC

R.L.Saravanan
9444022418
General Secretary.

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***Comments from TAMILNADU PROGRESSIVE CONSUMER CENTRE
(TPCC) ON CONSULTATION PAPER NO.9/2008***

Issue 1. Do you agree with the definition of MVNO given in section 2.1.6? If not please suggest alternate definition with justification.

YES the definition seems to be appropriate.

Issue 2: Do you think there is a need to introduce MVNO in the Indian Telecom Market. If yes, is it the right time to introduce MVNO as a distinct service provider with its own licensing and regulatory framework? Please elaborate the comments with appropriate reasoning.

Yes this is the right time to introduce MVNO in to the telecom market. Since the services are to provided in the brand of the MVNO it should not be spared form licensing and regulatory framework.

Issue 3: To what extent should the MVNO be permitted to set up their own infrastructure?

Initially the MVNO can be permitted to enter into the basic or thin MVNO and on satisfactory performance the same can be upgraded to full MVNO

Issue 4 (i): What Regulatory Model should be followed for MVNO in the Indian context?

The regulatory model should include proper QOS parameters, enhanced customer service, time frame for customer complaint redressal and availability of service at a cost not more than that of those provided by the MNOs

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(ii): What kind of obligations may be imposed on MNOs so that Mobile Virtual Network Operations are implemented effectively in India benefiting the customers?

Please elaborate the comments with appropriate reasoning.

MNOs should be brought under a “must provide” regulation to facilitate the MVNOs the operate on their choice of network and geographical location. The inter service/sharing arrangement should be made into valid agreements. The dispute between MVNO and MNO should not affect the services to the consumers at any cost.

Issue 5: What should be the eligibility criteria for MVNO?

Since MVNO is an extended arm of the MNO who can even operate in a samller geographical location the net worth eligibility and other financial equations of the entity shall be put forth into different models such as

- **Operation within a district**
- **Operation in multi districts**
- **Operation within a state**
- **Operation in multi states**

Since the MVNO concept is new to the market the criteria of experience shall not be mandatory, however a foreign collaborator with experience as MVNO shall be given with more preference

Issue 6: Do you suggest different eligibility criteria for different MVNO models and regulatory frameworks? If Yes, Please suggest with justification thereof.

As told earlier the eligibility criteria should be based on the size of its proposed operational area, however the regulatory frame work shall be same for all models

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Issue 7: Should there be any restriction on the number of MVNOs attached to an MNO? Please elaborate the comments with appropriate reasoning.

There shall not be any restriction on the number of MVNOs attached to an MNO. This would increase the competition between MVNOs so as enables better quality of service and price can be derived by the consumer.

Issue 8: What should be the commercial model/framework for spectrum sharing by MVNO; w.r.t. (i) Department of Telecom and (ii) MNO?

No comments

Issue 9: What should be the service obligations of MVNO? Please list them with justification thereof.

The service obligation of the MVNOs should not be anything less than that of the direct MNO, in addition to that the Customer care and prevention of unsolicited communications should be focused to large extent.

Issue 10. What should be the method and consideration for determining the entry fee for MVNO?

The entry fee should be designed in such a way that there should not be any “fly by night” operators entering into the market and should encourage serious players.

Issue 11. What should be the definition of AGR for MVNOs?

The percentage on AGR shall be the same as that of MNO in the proportionate coverage by the MVNO, in addition to that the MVNOs should be asked to deposit a small percentage of AGR into the consumer fund constituted by TRAI.

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Issue 12: What is the best way to protect the subscribers both in terms of continuity of service and applicability of tariff plan:

i) *in case of a dispute between MVNO and MNO?*

In the event of the non-performance of the agreement between MVNO and MNO the regulatory should see that the services to the consumers are not affected. Wherein a dispute arises the parties shall approach the Hon'ble TDSAT for settlement.

ii) *in case MVNO wants to exit the business.*

In the event of the an MVNO desires to exit from the business it may organize an alternative arrangement or regulatory along with MNO should make arrangement as to merger of the services to another MVNO so that the end users are not affected.

Issue 13: Should there be any roll out obligations specified for MVNO? If yes, what should be the penal provisions for failure/ delay in fulfilling the obligations.

Yes roll out obligations should be specified for MVNO and such obligation shall be different each model. The penal provisions shall be in the way of liquidated damages as determined by the authority.

Issue 14: What shall be the specific guidelines on the Mergers and Acquisitions of MVNO? Please elaborate the comments with appropriate reasoning.

Since the operation of MVNOs are within the corner stones there shall not be any tough M&A guidelines, however the mergers and Acquisitions should be done after the prior approval of the licensing agency.

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Issue 15: Should there be any restriction on cross holdings between two MVNOs and between MVNO and an MNO in a service area? Please comment on the nature and scale of restructuring.

Cross holding restriction should be there between two or more MVNOs in the same service area. However the cross holding between MNO and MVNO shall not be restricted.

Issue 16: What should be the FDI limit for MVNO?

The FDI limit shall remain with 74%

Issue 17: What should be the quantum of FBG and PBG for MVNO?

A financial Bank guarantee shall be secured from the MVNO to an extent of two quarter and however the MVNOs can be spared from PBG.

Issue 18: Any other relevant issue you would like to suggest /comment upon.

Since the front end operations of the MNO shall be governed by the MVNOs the emphasis on customer care and quality of service should be increased. Moreover the MVNOs/MNO should not pass the bug to each other in an event of consumer complaints.