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Ref: **ACTO's Response to TRAI's Consultation Paper dated December 08, 2021 on Ease of Doing Business in Telecom and Broadcasting Sector**

Dear Sir,

With reference to the *Consultation Paper on Ease of Doing Business in Telecom and Broadcasting Sector* issued by Hon'ble Authority, Association of Competitive Telecom Operators (ACTO), is pleased to provide our comments.

We hope that our comments (enclosed as Annexure - I) will merit consideration of the Hon'ble Authority.

Thanking you,
Respectfully submitted

Yours sincerely,
for **Association of Competitive Telecom Operators**



Tapan K. Patra
Director

Encl: As above

Annexure-I

**ACTO's comments on TRAI's Consultation Paper on Ease of Doing Business
in Telecom and Broadcasting Sector**

Association of Competitive Telecom Operators (ACTO) appreciates TRAI for bringing out the comprehensive Consultation Paper on "Ease of Doing Business in Telecom and Broadcasting Sector" dated 08th December 2021" covering various sectors.

This consultation paper is in line with the government's initiative to create a business friendly environment in India across all sectors. In past few years, TRAI had initiated few consultation process with the stakeholders for ease of doing business with limited coverage. However, we feel that this consultation paper is a holistic one. We also thank TRAI for releasing the informative consultation paper highlighting many issues related to ease of doing business in sectors like telecom and broadcasting involving many departments/ ministries.

It is indeed a very important step towards making Indian telecom sector more viable to facilitate innovation, and encourage investment. By improving ease of doing business and more liberalized telecom license reform with flexibility to accommodate new technology/services will attract more investment in new technologies and innovation to bring world-class services to the customers in India.

A prompt and suitable recommendation from TRAI on this consultation paper will definitely help DOT towards the further reform in the existing telecom licensing framework as our Honorable Minister of Communication had recently indicated in various news media.

ACTO's response to the specific questions raised in the consultation paper:

Q.1 Whether the present system of licenses/permissions/registrations mentioned in para no. 2.40 or any other permissions granted by MIB, requires improvement in any respect from the point of view of Ease of Doing Business (EoDB)? If yes, what steps are required to be taken in terms of:

- a. Simple, online and well-defined processes
- b. Simple application format with a need to review of archaic fields, information, and online submission of documents if any
- c. Precise and well-documented timelines along with the possibility of deemed approval
- d. Well-defined and time bound query system in place
- e. Seamless integration and approvals across various ministries/departments with the end-to-end online system
- f. Procedure, timelines and online system of notice/appeal for rejection/cancellation of license/permission/registration

Give your suggestions with justification for each license/permission/registration separately with detailed reasons along with examples of best practices if any.

ACTO's response:

A. Integration of Application and payment portals:

Presently, there is no linkage between the applications portal i.e. "BroadcastSeva" and payment portal i.e. "Bharatkosh". The applicant is required to upload the receipt generated by

Bharatkosh portal on to the BroadcastSeva portal. We suggest that the two portals be integrated.

B. No requirement for submission of physical copies of the application to MIB:

We suggest that the requirement for subsequent submission of the physical copies of the application be done away with and all such relevant documentation be allowed to be uploaded in the future electronic single-entry window. This would not only speed up the process but will also make it fully online

C. Implementation of Single Window:

Various ministries and departments such as the Ministry of Home Affairs, the Department of Space, the Department of Revenue, etc. are involved in the grant of license to the applicants. It is requested that a Single Window be implemented along with an information/enquiry counter for all queries from enterprises/entrepreneurs. This would provide clarity and certainty in application/approval processes. Implementation of Single Window shall also include:

- Better inter-departmental and inter-ministerial coordination with the sector-licensor (MIB in the case of the broadcasting sector), being the coordinating and nodal ministry
- Clear timelines for queries, application processing and approvals in the single window.
- Enabling tracking of the status of application process on single window
- Enabling surrender of licensed also on single window

Q.2 Whether the present system of licenses/permissions/registrations mentioned in para no. 3.81 or any other permissions granted by DoT, requires improvement in any respect from the point of view of Ease of Doing Business (EoDB)? If yes, what steps are required to be taken in terms of:

- a. Simple, online and well-defined processes
- b. Simple application format with a need to review of archaic fields, information, and online submission of documents if any
- c. Precise and well-documented timelines along with the possibility of deemed approval
- d. Well-defined and time bound query system in place
- e. Seamless integration and approvals across various ministries/departments with the end-to-end online system
- f. Procedure, timelines and online system of notice/appeal for rejection/cancellation of license/permission/registration

Give your suggestions with justification for each license/permission/registration separately with detailed reasons along with examples of best practices if any.

ACTO's response:

Over the last few years, several initiatives like the launch of various portals namely Saralsanchar, Saras, Bharat Kosh, etc. reform of OSP guidelines, the recent license amendment on AGR etc. covering both the structural & procedural reforms are indeed very good steps to improve the Ease of Doing Business. However, in reality, there are many practical issues which a TSP faces in its day to day operations which, makes it virtually offline. There are requirements of approval from multiple authorities/departments and the approval for every instance from the same department and/ or on the same issue etc. All these issues are to be addressed to see the benefit of EoDB. There is also a need to interlink/integrate all the portals like SARAS, SARALSANCHAR, BHARATKOSH with the National Single Window System (NSWS) under DIPT for the ease of the stakeholders/investors.

ACTO would like to flag several specific issues under this questions and these are as follows:

A. Equipment procurement from a trusted source

TEC is already mandated to test security-related functions of the telecom equipment and to issue approval certificates to the vendors before Telecom Operators can deploy the equipment in the network. However, in March 2021, DoT had amended the licenses with respect to the procurement of trusted telecommunication equipment from trusted sources and made it mandatory to obtain approvals from the National Cyber Security Coordinator (NCSC) for the procurement of equipment from the trusted sources w.e.f 15th June, 2021. This is an added requirement over the security approval certificate from TEC. NCSC conducts paper/document-related work whereas TEC conducts both paperwork as well as testing. Thus, we believe that there is duplication of same type of work, making it more time-consuming.

After the launch of the portal for trusted sources, TSPs had completed the tasks like registration, document submission etc. as required by NCSC but no final approval have been given for the procurement from the trusted source over the last six months. Only a few trusted sources are approved but no trusted products have been approved of as yet. TSPs are mandated to procure the trusted products from trusted sources. Planning, identification of equipment/vendor, procurement, and deployment of equipment in the network takes a minimum 6-9 months timeframe or sometimes even longer. The approval for the equipment from the trusted source is not being given on a time bound basis, despite the tentative timeline set for it being 15 days. The delay of over six months for the final approval is seriously impacting the network expansion/ rollout plan. It also has an impact on the customers in getting enhanced/new services. In order to minimize the delay, there is therefore an urgent need to streamline the approval process and also provision should be made for deemed approval for the products which are already approved by NCSC to the other TSPs.

Under the March 2021 amendments, all the telecom equipments have been brought under the purview of the trusted products. These have been categorised under five categories by the NSCN and the approval is required for each of these equipment. These categories are – Core equipment, Access equipment, Transport equipment, Support systems including Security equipment and Customer Premises Equipment.

The rational for bringing the equipment like the ones used for the LIM is not understood. These equipments are categorised under core equipment and for any upgrades or any equipment inducted in the LIM require an approval from NSCN thereby compromising the security of the network in case monitoring is required by any LEA.

CPEs are mostly procured and owned by the customers and in some cases, it is provided by the TSPs. The trusted product mandate also requires the TSPs to obtain approval for Customer Premises Equipment (CPE) if it is procured by TSPs to be given to the customers. However, no such approval is required if the CPE is purchased by customers directly. This is an anomaly between TSPs and end-users with respect to CPE procurement process.

It is submitted that only the core network equipment should fall within the purview of this. The CPEs and security equipment should be excluded from its purview. It is also suggested that the list of equipment requiring security approvals provided by the TEC in its schedules may be adopted by the NSCN.

ACTO's suggestions:

- **TRAI to recommend to all concerned departments so as to make the process faster and efficient to give the approval in 15 days timeframe in line with the government's commitment to ease of doing business.**
- **There should be deemed approval for products which are already approved to other TSPs in order to reduce the duplicity of work.**
- **Keep Customer Premises Equipment (CPE) and the security equipment in the exempted category from approval from trusted sources.**
- **The list of equipment published by TEC for security approvals may be adopted even by NSCN**

B. Simplification of the Process on Remote Access (RA) Approval

The robustness of the telecom network is crucial for the TSPs and they follow the best practices in order to ensure that no unauthorized access happens to the telecom network. Its only in India that a TSP is required to get an approval from the DOT to access its network from approved locations outside India. Worldwide, the telecom networks are accessed by the TSPs through their global NOCs and there is no such pre-RA approval requirement anywhere in the world except India.

The current regulations mandate that approval has to be obtained by the TSPs to access its network in India from remote foreign locations. The existing process for approval is very time-consuming and also complex. There are continued / inordinate delays in securing approvals. On the other hand, it is a crucial part of enterprise data service network as the monitoring and maintenance activity is highly dependent on RA approval. The existing process does not help in efficiently managing the networks. This is more evident in case the network needs to be managed under disaster management, as it restricts the ability of a global TSP to access its network in India from any location. Needless to state here that a TSP follows the best international practices in order to ensure that no unauthorized access is provided to any unauthorized person.

The licensees have made a substantial investment in their networks and they should be allowed to legitimately operate it without any overbearing conditions which impair their ability to attend to issues in a proactive manner.

Without prejudice to the above, once the installed RA system is approved by DOT, the addition of subsequent sites to the RA system should be on an intimation basis, it being just an administrative work. No further approval should be asked for the addition /alteration of sites. The

change in the process requested will provide the much-needed operational flexibility to telecom licensees to operate their network.

Thus, the requirement of RA approval may also be reviewed to do away with it totally or, at the most, just keeping it on an intimation basis only.

It is also worth mentioning that such simplification has also been implemented by DoT with regards to Lawful Interception and Monitoring wherein the earlier mandate for LIM approval prior to the launch of services has been replaced with a demonstration of LIM within 90 days post the commencement of services.

NDCP 2018 have under section 2.1 (c) i and iii highlighted the need for specifying timelines within which various types of clearances shall be provided as well as to reduce regulatory compliance requirements keeping in view of international best practices. The relevant clause of NDCP 2018 is given below:

“2.1 (c) Simplifying and facilitating Compliance Obligations by:

i. Reducing license and regulatory compliance requirements keeping in view best international practices

iii. Specifying timelines within which various types of licenses, permissions and clearances shall be provided by the relevant administrative offices”.

ACTO’s suggestion:

- 1. The requirements under the present RA regulations should be done away with.**
- 2. Requirement of further inspection/approval should be done away with in case new node/site is added to the existing RA system which is already approved by DOT.**
- 3. We suggest the current process of obtaining prior approval of locations be changed to a process of prior-intimation. The telecom licensees will provide all the information as may be required pertaining to the RA locations.**

C. Issues related to application and surrender of license

While we appreciate the work done by DoT to make the application process online & simpler, however even after submitting the application online, DoT asks to submit the hard copy and thus practically it becomes offline. If the process is online, a hard copy should not be asked for and instead digitally signed copy should be accepted which can be submitted over online mode. There are timelines for processing the application but such timelines are only on paper without any sanctity attached to them. It may take more than a year to get the new license after an application for new license is made on the saralsanchar portal. Some wings of DoT raise its query after 2 to 3 months of putting up the application and after the query is responded it goes to another department in a serial manner, not in parallel and thus it leads to more time for processing the application. After the online application is submitted and if the same goes to some other ministry then it’s status not shown correctly in the saralsanchar portal. Moreover, timelines are not provided for different ministries when the application is forwarded to them. Any correspondence done to DoT should be through online mode only so as to fix the accountability for any delay.

The surrender of the license, again, is quite a cumbersome process and needs to be made simpler. The surrender of the license is to be accorded within 60 days after the licensee gives the notice for surrender. Once the application for surrender of the license is submitted to DoT, then DoT asks CCA to do the assessment. CCA does the provisional assessment - not the final one - and subsequently, No Objection Certificate (NOC) is required from DoT. After DoT approves the NOC it issues letter regarding the surrender of license, however this whole process takes over 2 years. The effective date of such surrender shall be 61st calendar days counted from the date of receipt of such notice by the Licensor, if it is not rejected by the Licensor within 30 days of date of receipt of the notice. Due to enormous delay in getting the NOC from the DOT, there are impact on other issues related to the Companies Act like application for the dormant status of the company can't be submitted to the registrar of company due to existence of deposits in the form of bank guarantee and probable liability to pay to governments in terms of license fees/interest/penalty. Although the company is in an inoperative state, final closure of the company becomes very difficult which is one of the important bottleneck towards the ease of doing business. Opening up a company has been made easier but closure/winding up of company is very difficult.

There is also lack of uniformity in the procedure to surrender license between UL and other licenses. Process/procedure for surrender of licenses should be simplified and uniform to all the licenses.

The assessment made by CCA is provisional and even after the company has wound up its operations, DoT raises demand for license fee after 3 to 4 years which also includes penalty and interest. Therefore, assessment of license fee should be made final and not provisional and in a time bound manner.

ACTO's suggestions:

- 1. Granting of licenses should be made simpler and faster by linking all related portals as well as making the process truly on line. Delays due to inter-departmental/inter-ministerial approval is to be minimized.**
- 2. Procedure to surrender of license need to be simplified, uniform and it should be time bound in practice.**
- 3. Need to ensure final assessment every year, so that after completing all the formalities for license surrender, no new demand for license fees etc. be raised at later stage.**

Q.3 What are the issues being faced in the existing processes of granting registration to IP-I providers? Identify and suggest measures to address the same.

ACTO's response: ACTO has no comment on this question.

Q.4 What measures should be taken to promote small and medium telecom infrastructure providers with ownership of the network created by them for maintaining the quality of services?

ACTO's response: ACTO has no comment on this question.

Q.5 Please provide your response with suggestions to improve the present system of operations and maintenance of the undersea cable network in respect of:

- a. What procedure should be followed to facilitate O&M agencies for smooth operations and maintenance of undersea cables/cable networks and restoration of faults within a definite timeline?
- b. What additional support is needed in terms of import and export of equipment, measurement tools and accessories etc., vessel conversion and various other clearances for expediting repair and operations of submarine cables by ship/vessel at cable landing station within Indian maritime zones?

ACTO's response: ACTO has no comment on this question.

Q.6 Please suggest changes needed to simplify the following clearance/ permit procedures by various Government Authorities:

- a. In-transit permits
- b. Pre-repair permits
- c. Post-repair permits

Provide your suggestions for each activity separately.

ACTO's response: ACTO has no comment on this question.

Q.7 Please provide your response with proper justification to improve the present system of EMF radiation compliance in terms of:

- a. Relevance of EMF radiation audit and its impact for quick roll-out of network
- b. Measures to safeguard public interest and building confidence in public against propaganda of hazardous EMF radiations in field
- c. Issues being faced in the existing processes related to the self-certification, audit and penalty scheme of EMF radiation compliance process on Tarang Sanchar portal.

ACTO's response: ACTO has no comment on this question.

Q.8 What mechanism do you think should be followed in DoT to facilitate investors in exploring possibilities of business opportunities in the field of telecom? Provide your comments with justifications. Also, provide best international practices and adoption of new technologies for various processes and suggested process flow that could be adopted for further facilitating ease of doing business in India.

ACTO's response:

In order to attract investment in the telecom sector, ease of doing business is one of the important aspects but there is urgent need to reform the telecom licensing framework including the policy aspects. In this regard, Govt of India has taken some initiatives, however there are many pending issues which need to be addressed in order to make investment friendly environment in India. We would like to cover few policy related issues as well in addition to the process/procedural issues.

A. Response based time bound query address system

Investor looks for policy certainty and clarity on the license conditions. Telecom licenses were written about two decades ago and numerous amendments were made on that. Licensing conditions including the amendments are not at par with technological developments or with the licensing conditions of developed countries. License/amendments contains many unclear areas

which leads to misinterpretation. Many times, such difference in interpretations had resulted in additional levy of the license fees and interest and penalties and has also led to litigation. Lack of clarification on the licensing conditions including on the amendments is a serious concern.

Further, no or very few clarifications are provided even on approaching the DOT seeking the same. This need to be addressed and the need for removing the regulatory misinterpretations need to be recognized and addressed.

Launch of National Single Window System (NSWS) is a very good step in this direction. But this need to make effective in true sense. All the concern ministries/department/wings are to be included in the NSWS. Saralsanchar and other portals are required to be integrated with NSWS for application/approval/query and also the status for the same. Any change in the status of application/approval/query should generate auto email to all concerned including the applicant. That will improve the efficiency. There is also a need to fix the accountability for not providing the response in timely manner.

B. Urgent need for clarification on the recent amendment with respect to AGR

ACTO welcomes the recent amendments in NLD, ILD, ISP and UL licenses w.r.t. AGR to exclude the interest, dividend, non-telecom revenue, forex fluctuations, rent etc. from the ambit of license fee. We believe that the simplification of AGR by excluding some of the non-telecom revenues from the ambit of the license fee, removal of penalty, interest on penalty and simplification of bank guarantee requirement etc. are forwarding looking and very helpful to the growth of the telecom industry in India. Going forward, it will prove to be a watershed initiative in the telecom business in India and contribute towards the ease of doing business in India. However, there is an urgent need for clarifications, which may go towards bringing about unanimity in the various offices of the DOT in interpreting the amendments in the right spirits for which they have been brought in and these are as follows:

1. Revenue from Non Telecom Activities

DoT has allowed deduction of revenue from operations other than “telecom activities” from Gross Revenue to arrive at Applicable Gross Revenue (ApGR). But the amendment has missed out to define either telecom activities or non- telecom activities. It is quite possible that many revenue streams which may appear to be ancillary or incidental to telecom services will also be included in AGR. Hence, to avoid any misinterpretation and to remove any ambiguity in this regard, we request DoT to make the definition of ‘telecom activities’ more specific to ‘licensed telecom activities’. As such, the amendment should allow the reduction of revenue from operations other than ‘Licensed Telecom Activities’ from the Gross Revenue to arrive at the Applicable Gross Revenue (ApGR).

2. List of other income to be excluded from GR to arrive at ApGR

The list of other income which have been allowed to be deducted from Gross Revenue to arrive at Applicable Gross revenue is not comprehensive in nature and many items of other income have been excluded which are in no manner linked to the provision of telecom services. For the

purpose of arriving at Applicable Gross revenue, the following items of other income in addition to the existing list should be excluded from the Gross Revenue (GR):

- a. Capital Receipts.
- b. Capital gains on business combinations e.g. merger/demerger, slum sale etc.
- c. Scrap sale, notice pay recovery.
- d. Sale of Goods and Services for which license under Section 4 of ITA is not required, such as sale proceeds of handsets, terminal equipment. or any ancillary services like OTT subscription, advertising services etc.
- e. Any form of Notional Income.
- f. Other Comprehensive Income as mandated under IND-AS (known as below the line etc.)
- g. Reimbursement of expenses (including the amounts recharged to other associate entities of the licensees).
- h. Recovery from vendors on account of deficiency of service.
- i. Credits provided by OPEX. / CAPEX. Vendors.
- j. Interest on direct tax / indirect tax refunds.
- k. Management Support Charges/ Manpower Cross-Charge/ management cost recharge.
- l. Charges on Professional Services.
- m. Charges on Security Solutions/ resale of software licenses and sale of other IT products.
- n. Revenue from sale of CPE and other telecom equipment.

ACTO's suggestion: Request TRAI for a quick recommendation to DOT with a clear definition or demarcation of telecom /non telecom revenue, since DOT has taken the TRAI recommendation on AGR dated 6th January, 2015 as basis for the recent license amendment.

C. Removal of Multiple Levy of License Fee along with the issue of pass through charges

In the recent amendments in the ISP license, charges of pass-through nature paid to other telecom service providers to whose network, the Licensee's network is interconnected has been allowed as a deduction to arrive at the AGR for the calculation of license fees. In the case of NLD / ILD license, the deductions are limited to PSTN/ carriage of voice calls paid by one TSP to another TSP, however the pass-through charges on the bandwidth taken from another TSP have not been allowed to be deducted. In addition to voice, NLD/ILD license also allows to carry data. As pass through is allowed for data in the case of ISP, the same should also be allowed for NLD/ILD. Therefore, it requires further clarification/amendment in the definition of AGR in the NLD/ILD, so that the bandwidth/lease circuit charges paid to the other TSPs by the Licensee should be excluded from the ambit of license fee.

Due to non-uniformity about deduction of pass-through charges across various licenses, the current license however still mandates TSPs to incur license fees while buying telecom resources from other TSPs although this activity is in B2B mode. License fee levied on B2B transactions resulting in double payment of the license fees – once while buying telecom resources from the

other TSPs and a second time when telecom services are provided to the customers. As a general principle, license fees/taxes are to be collected from the end consumers (B2C) mode and deposit the same with the Government/relevant authorities. Multiple levies of license fee results in a cascading impact of cost passed on by Licensee to Licensee, thereby increasing the cost of services to the end consumers. Ultimately, it is the consumers paying for it.

ACTO's suggestion:

It is quite apparent that there is no uniformity in the interpretation of the charges of pass-through nature in various licenses like ISP/NLD/ILD etc. In order to, have uniformity and to keep it simple, we suggest that the charges paid by one TSP to other TSP should be allowed as deduction. In fact, instead of using the term 'pass through charges, the deductions allowed should use the same verbiage as is given in the amendments to the UL VNO licenses which allows the deduction of all the charges, including the bandwidth charges etc. paid to the other TSPs. Our suggestion on pass through charges is in line with NDCP 2018 as stated under 2.1(b)(ii)-

“Reviewing the concept of pass-through charges to align the same with the principles of input line credit thereby avoiding double incidence of levies.”

D. Allow Full fledge infrastructure sharing

Investors always look for an optimum investment with a reasonable return on investment. Infrastructure sharing reduces both CAPEX and OPEX cost. Now technology allows sharing the active and passive infrastructure without any interference among sharing partners. The policy should allow to make more efficient utilization of telecom network/infrastructure and thereby facilitate the ease of doing business. This objective can be achieved by allowing sharing of active core network elements. NDCP 2018 had made a provision to facilitate for the same.

1.1 “(f) Encourage and facilitate sharing of active infrastructure by enhancing the scope of Infrastructure Providers (IP) and promoting and incentivizing deployment of common sharable, passive as well as active, infrastructure.”

In the last few years, DoT has allowed sharing of passive and some active (limited) infrastructure. Still there are restrictions on the sharing of infrastructure between various telecom operators and infrastructure providers including ISPs. This has resulted in unnecessary duplication of infrastructure. The policy must allow sharing the telecom infrastructure for optimum usage subject to mutual agreement between TSPs. It will lead to higher utilization, leading to a reduction in OPEX for service providers and a better business case for infrastructure creators. Globally there are no restrictions on sharing of infrastructure amongst the license and also amongst its own license. The current need is to allow full-fledged sharing of infrastructure.

ACTO's suggestion:

As the current infrastructure sharing policy is very restricted, we request TRAI to recommend to DoT to allow full-fledged sharing of active and passive infrastructure between various telecom operators among various licensees. One such example, currently ISPs are not allowed to sell the

spare bandwidth to other TSPs but ISPs can buy bandwidth from other TSPs. ISPs should be allowed to sell the spare bandwidth to other TSPs. Similarly, routers are not allowed to be shared among licenses even it is owned by the same company.

E. Addition/Modification of any new service in the existing license in order to provide technology agnostic services

Current license/policies are largely written with a focus on the consumer/retail voice segment and are also very hardcoded. As the technology is changing very fast, type of services, name of the services and mode of delivery of services are also changing accordingly. The existing telecom licenses are not flexible enough to adapt with the pace of technological changes. Either the licenses should be amended very frequently, or they should be modified in such a flexible way to adopt the changes in the technology or the market. This is very important for any investors to invest in the telecom sector in our country as it will help in removing the technological gap in the products and services offered worldwide and those offered in India.

There are several examples like the existing license does not necessarily serve the needs of enterprise data customer networks and services. The services like VPN can be provided in many ways with different technical name and there should not be any restriction to provide the same/similar services the way technology permits. Restrictions curtail the efficiency of delivery of service and innovation.

Beyond the traditional telecommunications landscape, emerging and future technologies are likely to be instrumental in the development of the country and roll-out of innovative services, applications, and products. This promotes 'ease of doing business' which is also the underlying aim/ policy objective of the Govt of India. A comprehensive License reforms exercise is imperative as against piecemeal License amendments.

NDCP 2018 has also very well emphasized the importance of emerging technology under 2.2 *Ensuring a holistic and harmonised approach for harnessing Emerging Technologies.*

ACTO's suggestion:

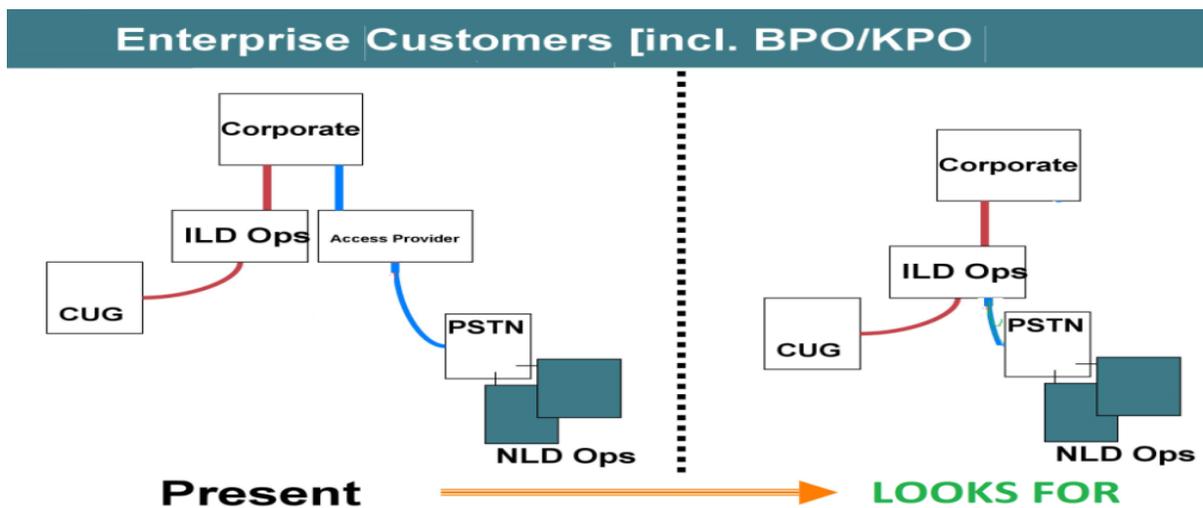
Licensing conditions should be made more flexible to accommodate the changes in technology with time for providing services to the customers. The Digital and technological ecosystem is very dynamic and complex. The name of services or mode of delivery should be left to the TSPs. All the service/interconnection-related restrictions should be removed as TSPs are bound to pay uniform license fees and follow all security related requirements of the Government of India. In doing so, policy framework should consider the following principles:

- 1. Licensing framework should achieve its objective in the most efficient way regardless of the technologies, industry structures or legacy regimes.**
- 2. Licensing framework should be technology-agnostic, enabling to provide technology agnostic services to the customers. It should facilitate to use all the available technological means for achieving the desired objective.**

F. Allow IP-PSTN Connectivity in ILD/NLD license

Current license condition restricts the interconnectivity between PSTN and leased line based CUG/ IPVPN network in ILDO/NLDO license vide clause no. 2.2(b):

*“2.2 (b) ILD service provider can enter into an arrangement for leased lines with the Access Providers/NLD service provider. Further, ILD Service Providers can access the subscribers directly only for provision of international Leased Circuits/Close User Groups (CUGs). Leased circuit is defined as virtual private network (VPN) using circuit or packet switched (IP Protocol) technology apart from point to point non-switched physical connections/transmission bandwidth. **Public network is not to be connected with leased circuits/CUGs.**” ILDOs offer voice as well which is permitted to interconnect.”*



The above diagram illustrates the current restriction and what we are looking for in the case of enterprise customers like BPO/KPOs.

The current restriction on IP to PSTN for ILDOs poses a major barrier as such service restriction make services less competitive and the customers are not able to avail the benefits of technological innovations and convergence. We suggest removing the interconnection barriers. Regulatory and policy should not impede the growth of the sector and deprive the technological benefit to the end users/customers. The following reasons further substantiate our ask:

1. NDCP -2018 states to remove the restriction on inter connectivity and allows for IP-PSTN switching as mentioned below:

“1.1 (g) Enabling Infrastructure Convergence of IT, telecom:

i Amending the Indian Telegraph Act, 1885 and other relevant acts for the purpose of convergence in coordination with respective ministries

iii Restructuring of legal, licensing and regulatory frameworks for reaping the benefits of convergence.

iv Allowing benefits of convergence in areas such as IP-PSTN switching.”

2. No toll by pass due to IP-PSTN interconnection:

TRAI/DOT has made provision to pay interconnection charges for IP-PSTN and it is being reviewed by TRAI periodically. TSPs are mandated to pay the required interconnection charges as fixed by TRAI and thereby all calls/data will flow as per license agreement without having any toll bypass. Concern related to bypass of international traffic does not apply as ILDOs are the only operators responsible for carrying the same and all other rules like IUC will also be similarly applicable. In fact, allowing interconnection will eliminate any possible toll bypass as current interconnect charges are minimal.

3. Interconnection of IP-IP, IP-PSTN allowed in access license:

DoT had allowed Interconnection over IP Networks allowed vide its amendment dated 19th April 2016 in UL vide license clause 27.3 in order to make LTE/4G network (fully IP based) works with the existing PSTN seamlessly.

4. Global trends on Interconnection between Public Networks with leased circuits/CUGs:

Interconnection between Public networks with leased circuits/CUGs is allowed in most of the countries in the world. In Asia it is allowed in Hongkong, Indonesia, Malaysia, Singapore, Philippines, Vietnam, and Japan etc. In Europe it is allowed in Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Hungary, and Italy etc. It is also allowed in North America in Canada, Mexico & in South America in Argentina, Brazil, New Zealand, Australia and Colombia. We only see such a restriction in India which is one of the major barriers to addressing emerging technologies solutions.

5. Need to remove the asymmetry vis a vis other countries:

Over more than a decade interconnection of IP-PSTN is working seamlessly in most of the countries as mentioned above. In India, it is not allowed so far and thereby creating an asymmetry of interconnection as other end of the line is terminated with PSTN but not in India. There is no risk at all in allowing this interconnection and the same would also end the existing asymmetry of IP-PSTN interconnection.

6. Benefits of allowing interconnection between Public Networks with leased circuits/CUGs

The removal of existing restrictions on linking different PSTN, IP, VPN and CUG networks would better allow the communications, emerging services, and technology services provided by telecom licensed service providers to facilitate these enterprises to achieve their business objectives and thus assist the continued growth of India's economy.

ACTO's suggestion:

We suggest TRAI to recommend to DOT to remove the existing restriction of *Public network not to be connected with leased circuits/CUGs* from the ILD/NLD license in line with the stated policy in NDCP-2018 and global practice.

Q.9 Whether the present system of licenses/clearances/certificates mentioned in para no. 3.94 or any other permissions granted by WPC, requires improvement in any respect from the point of view of Ease of Doing Business (EoDB)? If yes, what steps are required to be taken in terms of:

- a. Simple, online and well-defined processes
- b. Simple application format with a need to review of archaic fields, information, and online submission of documents if any
- c. Precise and well-documented timelines along with the possibility of deemed approval
- d. Well-defined and time bound query system in place
- e. Seamless integration and approvals across various ministries/departments with the end-to-end online system
- f. Procedure, timelines and online system of notice/appeal for rejection/cancellation of license/clearance/certificate

Give your suggestions with justification for each license/ clearance/certificate separately with detailed reasons along with examples of best practices if any.

ACTO's response: ACTO has no comment on this question.

Q.10 Whether the present system of permission/approval mentioned in para no. 3.101 or any other permissions granted by NOCC, requires improvement in any respect from the point of view of Ease of Doing Business (EoDB)? If yes, what steps are required to be taken in terms of:

- a. Simple, online and well-defined processes
- b. Simple application format with a need to review of archaic fields, information, and online submission of documents if any
- c. Precise and well-documented timelines along with the possibility of deemed approval
- d. Well-defined and time bound query system in place
- e. Seamless integration and approvals across various ministries/departments with the end-to-end online system
- f. Procedure, timelines and online system of notice/appeal for rejection/cancellation of permission/approval

Give your suggestions with justification for each permission/approval separately with detailed reasons along with examples of best practices if any.

ACTO's response: ACTO has no comment on this question.

Q.11 Whether the present system of permissions/approvals mentioned in para no. 3.107 or any other permissions granted by TEC, requires improvement in any respect from the point of view of Ease of Doing Business (EoDB)? If yes, what steps are required to be taken in terms of:

- a. Simple, online and well-defined processes
- b. Simple application format with a need to review of archaic fields, information, and online submission of documents if any
- c. Precise and well-documented timelines along with the possibility of deemed approval
- d. Well-defined and time bound query system in place

- e. Seamless integration and approvals across various ministries/departments with the end-to-end online system
- f. Procedure, timelines and online system of notice/appeal for rejection/cancellation of permission/approval

Give your suggestions with justification for each permission/approval separately with detailed reasons along with examples of best practices if any.

ACTO's response: ACTO has no comment on this question.

Q.12 What measures should be taken to ensure that there is no duplicity in standards or in testing at BIS, WPC, NCCS, and TEC? Which agency is more appropriate for carrying out various testing approvals? Provide your reply with justification.

ACTO's response: ACTO has no comment on this question.

Q.13 Whether the present system of getting fresh and additional space segment capacity on Indian and foreign satellites for various services mentioned in para no. 4.15 or any other new service from DOS, requires improvement in any respect from the point of view of Ease of Doing Business (EoDB)? If yes, what steps are required to be taken in terms of

- a. Simple, online and well-defined processes
- b. Simple application format with a need to review of archaic fields, information, and online submission of documents if any
- c. Precise and well-documented timelines along with the possibility of deemed approval
- d. Well-defined and time bound query system in place
- e. Seamless integration and approvals across various ministries/departments with the end-to-end online system
- f. Procedure, timelines and online system of notice/appeal for rejection/cancellation of space segment capacity

Give your suggestions with justification for allocation of space segment capacity for each service separately with detailed reasons along with examples of best practices if any.

ACTO's response: ACTO has no comment on this question.

Q.14 Whether the existing procedures to acquire a license for providing satellite-based services in the existing framework is convenient, fast, and end-to-end online for the applicants? If not, what other measures are required to simplify the various processes to enable ease of doing business in India for satellite-based services? Give details along with justification.

ACTO's response: ACTO has no comment on this question.

Q.15 Whether the present system of permissions/registrations mentioned in para no. 5.10 or any other permissions granted by MeitY along with BIS, requires improvement in any respect from the point of view of Ease of Doing Business (EoDB)? If yes, what steps are required to be taken in terms of:

- a. Simple, online and well-defined processes
- b. Simple application format with a need to review of archaic fields, information, and online submission of documents if any
- c. Precise and well-documented timelines along with the possibility of deemed approval

- d. Well-defined and time bound query system in place
- e. Seamless integration and approvals across various ministries/departments with the end-to-end online system
- f. Procedure, timelines and online system of notice/appeal for rejection/cancellation of permission/registration

Give your suggestions with justification for each permission/ registration separately with detailed reasons along with examples of best practices if any.

ACTO's response: ACTO has no comment on this question.

Q.16 What are the issues being faced by various service providers in seeking stable and committed quality power supply connections from power DISCOMS? For statewide operations whether it is feasible to get power supply in time bound manner for various locations from a single-window contact or has to be made region-wise. What measures do you suggest to improve the same?

ACTO's response: ACTO has no comment on this question.

Q.17 Whether the extant mechanism of reporting and filing at the SARAS portal and the offices of Controller of Communication Accounts (CCA) simple and user-friendly? If not, what measures are required to make it simple, transparent, and robust? Justify your comments.

ACTO's response:

There are several issues that exists with CCA and require further simplification. We are giving some instances and these can be addressed by simplifying the process/procedure.

1. Even after paying the license fee online on the Saras Portal, some of the CCAs seek hard copy of the proof of payment of license fee along with the affidavit. Since we are paying license fee online, therefore, there should not be any requirement to submit the hard copy and the affidavit.
2. Similarly, hardcopy for the deduction claim on account of pass through charges on the AGR statement is sought for.
3. Demand for hard copy defeats the purpose of having portal /online payment. Instead of hard copy, digitally signed documents should be accepted.
4. All the CCAs are required to be in conformity about the requirement.
5. For the last several years, the assessment done by the CCAs is always kept in provisional mode and is not concluded as final. As a result, even after surrendering the license and completing all the formalities, demands were raised for license fee along with interest and penalty. This is against the basic principle of ease of doing business.
6. Single login ID for the company having multiple licenses can be used to pay the License Fee for different licensees in the Saras Portal instead of login ID for each license in the name of same company.

Q.18 Whether any issues are being faced by the telecom service providers during declaration and verification of documents for deduction claimed from the Gross Revenue and special audits of revenue? If yes, provide your comments with the reasons thereof.

ACTO's response:

In all other sectors, statutory /empaneled auditors are authorized to verify and to issue certificate/report on statement of revenue etc. The same is applicable even for the telecom sector. This verification/ certification can be extended to include the documents relating to the deductions claimed too. The certificates issued by the auditor should be taken as the final proof of the deductions claimed. There is no need for separate verification of documents for deduction claimed from gross revenue.

Q.19 What improvements do you suggest in the various extant audit processes conducted by DoT LSAs? How the process of the Customer Acquisition Form (CAF) audit can be further simplified? Provide your comments with justifications.

ACTO's response:

This consultation paper rightly stated about the onerous requirements of audits/inspections and it should be reduced and simplified. It has also been stated that DoT shall focus only on the systemic issues with a sole objective to ensure complete traceability of the end customers. LSA units have been penalizing TSPs on technical/hyper-technical grounds and also on account of different perceptions/interpretations of various telecom regulations.

ACTO does believe in the importance and necessity of having inspections/ audits of TSPs. But there is an incidence of redundancy/ duplicity of works on periodic inspection/audit which are conducted by various LSAs on the same TSP. Each LSA has the same inspection schedule and it's a time-consuming process to conduct the inspections by different LSAs on the same TSPs. There are also variances in the interpretations of the regulations among LSAs. A centralized inspection/audit process will be much faster and objective as compared to the current practice. Currently, DoT has a total of 22 LSA (Licensed Service Area) units spread across India, and all the LSA units of DoT are assigned to inspect and audit the telecom licensees even though the TSPs may not have any customers or do not provide any services in a particular LSA.

TSPs having PAN India Licenses such a NLD/ ILD/ ISP are facing a multiplicity of audits/ inspections of the same License by different LSA units create enormous duplication and redundancy in efforts. In order to make the inspection/audit process simplified, mutually convenient, efficient and effective, we suggest that inspections/audits may be done centrally by the LSA unit, at the registered office or a designated office location of the Licensee. This will go a long way in ensuring the following:

1. The removal of redundancy/ duplicity of works conducted by various LSAs on the same TSP, making the process more efficient and meaningful.
2. The Inspection/audit process is much faster and objective as compared to the current practice. Maintaining uniformity by way of eliminating the variances in interpretations of the regulations.

3. All the required information from the TSPs is available at one place for conducting the inspection/audit process by helping the initiative taken by the Government of India towards enabling ease of doing business in India.

ACTO's suggestion:

We suggest TRAI to recommend DOT for having inspections/ audits centrally by a designated LSA Unit for Licenses with PAN India Service Area and the same report can be shared with other LSAs.

Q.20 What measures are required to be taken to simplify the various submissions/filings made by teleport operators, DTH operators, MSOs, and other stakeholders at MIB? Provide your detailed reply with justifications.

ACTO's response: ACTO has no comment on this question.

Q.21 TRAI seeks multiple reports through its multiple divisions at predefined frequency intervals. Reports submitted by operators are examined and for non-compliances, show cause notices are issued and financial disincentives are imposed, wherever applicable. Do you think there is a need to improve reporting and compliance system in TRAI? Please elaborate your response with justifications.

and

Q.22 Identify those redundant items which require deletions and at the same time the items that need to be included in the reporting and regulatory compliance systems due to the technological advancements. Suggest such changes with due justifications.

and

Q.23 What kind of IT-based reports and compliance submission processes do you suggest in TRAI? Provide your comments.

ACTO's response:

Few years back, TRAI had reviewed the submissions/reports required to be submitted to TRAI and some of the reports (like NIL reports) were made redundant. We appreciate this initiative in this consultation process to look at holistically all the reports/submissions whether those are required or not or in what mode/format. We have made a table containing the reports /submissions made to TRAI/DOT along with our justification for removal /continuation/review:

S. No.	Name of compliance/ Report	Type of License	Periodicity	To be continued/ reviewed/ removed	Grounds for review/ removal
Compliances/reports submission to TRAI					
1.	Internet/Broadband and Subscriber report	ISP / UL VNO ISP	Monthly & quarterly	Need to be reviewed and Removed	TSPs should maintain it and they will share the same with TRAI/DOT/LEA as and when required through email as it is faster. Periodic filing of hard copy/CD should be avoided.
2.	Performance Monitoring Report	ISP	Quarterly	Need to be Removed	It should be removed especially for TSPs doing only Enterprise data business

3.	License Fee	ILD, NLD, ISP, UL VNO	Quarterly	Need to be reviewed	No need for hard copy of LF, Financials and AGR submission post launch of SARAS. It should be on annual basis. It will result in one-time admin work.
4.	Accounting Separation report	ILD, NLD, ISP, UL VNO	Annual	Need to be reviewed	The Accounting Separation reports need to be filed annually after a separate audit is conducted. These reports basically provide statistical data. Such audits are very much like the Cost Audit conducted under the Companies Act and the report generated including the Cost Audit report is also almost similar to the ASR. The need for a separate ASR audit should be done away with and this should be aligned with the Cost Audit Report submitted under the Companies Act. This can go to a great extent to avoid duplication and reducing the cost of compliance. Without prejudice to the above, the threshold limit for doing the ASR may also be increased from the present 100 Crs of turnover. This can also reduce the burden on the smaller TSPs.
Compliances/reports submission to DOT					
5.	Subscriber report	ILD, NLD, ISP, UL VNO	Monthly	Need to be reviewed and Removed	These reports are to be sent to the DOT and the LEA's and serve no conceivable purpose. The TSPs, in any case, maintain these records and they may be submitted to the DOT/ LEA's/ LSA's as and when required by them on email. Periodic filing of hard copy/CD should be avoided and should be done away with.
6.	Nodal Officer	ILD, NLD, ISP, UL VNO	Half yearly	Need to be Reviewed	Presently, the information regarding the Nodal Officers are to be submitted half yearly. This requirement should be changed in order to be submitted only if there is any change in the Nodal officer or contact/location details.
7.	Equity Status, Paid Up Capital Report and FDI Compliance Filing	ILD, NLD, ISP, UL VNO	Half yearly	Need to be Reviewed	No need to send the hard copy, it can be sent over email. It should be informed in case of change and not in a fixed periodicity or ad-hoc basis. In any case, this becomes redundant in case of the TSP with 100% FDI.
8.	CFO, CTO details	ILD, NLD, ISP, UL VNO	Half yearly	Need to be Reviewed	It should be informed in case of change and not in a fixed periodicity or ad-hoc basis.
9.	Certificate of compliance	ILD, NLD, ISP, UL VNO		Need to be removed	If required, then it should be on ad-hoc basis.
10.	Customer Complaint Redressal Report (QOS) /	ISP	Quarterly	Need to be removed	QOS is dealt by TRAI, so it is redundant to send it to DOT.

	Internet QOS Report				
11.	Carbon Footprint Report	ILD, NLD, ISP, UL VNO	Annual	Need to be Reviewed	For TSPs having its equipment in a co-location it should be removed due to duplicity and results in erroneous data/conclusion. The data is collected from the Collocation owners anyway in a consolidated form.
12.	Bank Guarantee Renewal	ILD, NLD, ISP, UL VNO	Annual	Need to be reviewed	No need for hard copy of BG, it may be revised from annual to 5 years unless there is a significant change in BG amount. As soft copy of the BG can be submitted by email. This in no way harms the ability of the DOT to encash the BG in case it is required to do so.
13.	Security Audit Report	NLD, IL, ISP	Annual	Need to be reviewed	The TSPs, in any case, are very mindful that their telecom networks are robust and secure, which, in turn, gives their customers assurance that the services provided to them by the TSPs are secure. The TSPs deploy best technologies available in order to achieve this objective and have their own internal as well as external resources to ensure the safety of their network and this process is generally an ongoing process, evolving on day to day basis. Hence, the need to get the network audited periodically may be done away with. It should be left to the TSP's discretion.
14.	Change in Board Constitution	ILD, NLD, ISP, UL VNO	As-per change	Need to be reviewed	It should on ad-hoc basis, if same is required.
15.	International Bandwidth & other details of CLS	ILD / ISP	Annual	Need to be removed	It should on ad-hoc basis, if same is required. As it is being asked by various LSA, it needs to be centralized and can be sent to DoT Headquarters.
16.	Foreign National Security Clearance	ILD, NLD, ISP	Yearly	Need to be reviewed and removed	It should be left to MFA/MHA to deal with as in case of other sectors. No such special requirement should be mandated for telecom sector.
17.	IPv6 Transition Report	ISP / UL VNO ISP	Quarterly	Need to be reviewed	It is asked to be submitted by LSAs & it needs to be centralized and a consolidated report can be sent to DoT Headquarters.
18.	Annual Financials and Auditor's Report	ILD, NLD, ISP, UL VNO	Annual	To continue	
19.	Reconciliation Annual Account Report and filing of Audited AGR	ILD, NLD, ISP, UL VNO	Annual	To continued	

ACTO's suggestion:

ACTO suggests reviewing all the reports/submissions required by DOT/TRAI/LEA. All the submissions should be online to a common depository in line with the secure document repository implemented in NSWS. There are various tools available in the market. TSPs will be given access to that tool for uploading reports/submissions in the respective folders. Once the report/ submission is uploaded, auto email notifications to be sent to all concerned. Submission in hardcopy to be mandated only when it is required by law. The digitally signed document should be accepted and encouraged to be followed instead of hard copy. Submission of the same reports to multiple authorities/departments should be avoided.

Q.24 Are there any other issues in the present system of licenses/ permissions/registrations granted by MIB/DoT/WPC/NOCC/TEC/DOS/ MeitY/MoP that can be identified as relevant from the perspective of ease of doing business in the telecom and broadcasting sector? If yes, provide a list of those processes and suggest ways for their improvement.

ACTO's response: ACTO has no comment on this question.
