



Dated: 3rd June, 2020.

To,

Advisor (NSL),
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg,
(Old Minto Road), New Delhi-02

(Kind attention: Sh. Syed Tausif Abbas)

Sub: Comments on Consultation paper on “Methodology of applying Spectrum Usage Charges (SUC) under the weighted average method of SUC assessment, in cases of Spectrum Sharing”.

Kindly refer to TRAI’s Press release No. 24/2020 dated 22-04-2020, vide which TRAI releases consultation paper on “Methodology of applying Spectrum Usage Charges (SUC) under the weighted average method of SUC assessment, in cases of Spectrum Sharing”. In this context, kindly find herewith the BSNL comments on the above-mentioned Consultation Paper:

Q.1 Do you agree that as per the existing Spectrum-Sharing Guidelines dated 24th September 2015, post sharing of spectrum, increment of 0.5% on SUC rate should apply on the spectrum holding in specific band in which sharing is taking place and not on the entire spectrum holding (all bands) of the TSPs. Please justify your answer.

Comments of BSNL:

BSNL is of view that no additional levy should be charged for reasons given in response to Q2; and if at all it is to be levied, the increment of 0.5% on SUC rate should apply on the spectrum holding in specific band in which sharing is taking place and not on the entire spectrum holding (all bands) of the TSPs.

Para (2), (3) and (12) of Guidelines for Sharing of Access Spectrum by Access Service Providers issued by DoT vide its no. L-14006//04/2015-NTG dated 25.09.2015 is being reproduced here:

“(2) Spectrum sharing is permitted between two Telecom Service Providers utilizing the spectrum in the same band.

(3) Spectrum sharing is not permitted when both the licensees are having spectrum in different bands. Leasing of spectrum is not permitted.

(12) For the purpose of charging Spectrum Usage Charges (SUC), it shall be considered that the licensees are sharing their entire spectrum holding in the particular band in the entire LSA.”

From above, it may be noted that sharing is allowed on case to case basis only when both TSPs are using the same spectrum band. Hence, it is not justified to levy additional SUC on the spectrum bands-

- i. which are not being shared; and,
- ii. on the bands, which could not be shared by virtue of being different type of bands.

Also, from para (12) above, it may be deduced that charging of SUC is to be done only for the entire spectrum holding in that ***particular band*** which is being shared.

Since sharing is being done only in a particular band in particular LSA. Therefore, it is appropriate to charge incremental 0.5% SUC on the spectrum holding in specific band only.

Q.2 Do you think that increment in SUC rate is a deterrent for TSPs in entering into spectrum-sharing arrangements? Further, do you also think that in order to facilitate the spectrum sharing, there should not be any increment in SUC rate post sharing of spectrum? Please justify your answer.

Comments of BSNL: Yes.

It may be assumed that an incremental SUC rate by 0.5% had been levied on sharing of spectrum by DoT presuming that sharing of spectrum would increase the revenue of TSPs. Whereas the AGR of TSPs has decreased in past few years (since 2016-17 onwards). At times, QoS is also not experienced up to mark.

In last couple of years, the reason for depleting revenue of TSPs may be tough competition and tariff war. This has reduced the number of players in the LSAs, thus reducing the overall AGR. In these tough times, incremental SUC rate on sharing of spectrum would cause an extra burden on TSPs. This might be a deterrent for TSPs to go for spectrum sharing arrangement even if they are willing to improve QoS experience.

If incremental SUC rate is not levied post sharing of spectrum, the TSPs may be encouraged to share spectrum willingly. It is understood that SUC is an administrative charge being paid to DoT. It is proposed that DoT may charge some one-time fixed charge for processing the spectrum sharing request.

DoT is already charging SUC for spectrum allotted to TSPs at a certain applicable percentage of AGR. Incremental SUC post sharing of spectrum is an additional burden on TSPs.

Sharing of national resources should be encouraged and incentivised.

Need for spectrum sharing:

In current times, the TSPs are burdened with high capex and operational costs which is limiting TSPs to develop the telecom networks in proportion to the growing market. Besides revenue crunch, TSPs are struggling with network inefficiencies resulting poor quality of service. TSPs have been continuously complaining that inadequate spectrum is the major cause of the deteriorating QoS standards and raising demand for additional spectrum to address QoS issues. In addition to this, with the device of new technologies in telecom world the demand for more spectrum is increasing sharply.

Spectrum is a scarce natural resource of nation. To cater this increasing demand, the spectrum should be used in an efficient way. Spectrum sharing is one such option. Sharing of spectrum may address the network efficiency concerns by allowing TSPs to leverage non-linear gains in spectral efficiency.

For example:

If two operators are holding 5 MHz of spectrum each and they share their spectrum, it is possible to minimize network congestion and carry greater amount of traffic. On implementing spectrum sharing model, the two operators would be capable of carrying more than double the sum of their individual capacities.

The spectrum sharing mechanism has potential to increase coverage, network capacities and diminish congestion issues in the network. With the introduction of latest spectrum sharing technologies such as Dynamic Spectrum Sharing (DSS), TSPs would be able to build 5G networks quickly in a better way in Indian context. DSS is being viewed as a key enabler of scaling 5G networks quickly.

Q.3 What other changes are required in the Spectrum-Sharing Guidelines to facilitate spectrum sharing? Please provide detailed explanation and justification for your suggestions.

Comments of BSNL:

It is proposed that the extant DOT guidelines for sharing of spectrum be reviewed to relax the restrictions for sharing of spectrum. In general guiding principle should be if two operators are allowed to use a particular band of spectrum, they should be allowed to share that also.

The extant DoT Guidelines (DoT letter no. L-14006//04/2015-NTG dated 25.09.2015) allow sharing between two access licensees, provided both licensees have spectrum in the same LSA and in the same band. This condition could have a significant impact on superiority of some frequency bands over others. It is submitted that inter-band sharing should also be allowed.

The 900 MHz band is widely acknowledged to be more efficient over a greater distance than the 1800 MHz since the lower frequency produces higher wavelengths, allowing these signals to travel greater distances far more efficiently than the higher

bands. Under the extant Guidelines, the TSPs holding spectrum in the 900 MHz band are not able to share spectrum with the TSPs who are not having spectrum in 900 MHz and holding spectrum in other different frequency bands. The restriction on inter-band sharing would clearly hamper the ability of TSPs to deploy next-generation networks. Hence, the inter-band sharing should be allowed to maximize the spectrum efficiency and commercial benefits.

Para 8 (iii) of extant guidelines for spectrum sharing provides that in case of proposed sharing where one Licensee has spectrum acquired through auction/trading or liberalized spectrum and the other has spectrum allotted administratively, sharing is permitted only after the spectrum charges for liberalizing the administratively allocated spectrum are paid. Imposing this condition is a road block and sheer wastage of precious spectrum resources. In this context, it is proposed that if two licensees are willing to share spectrum, irrespective of it is liberalised or unliberalised, they should be allowed to share for efficient utilisation of scarce national resources and improvement in quality of service being provided to the customers.

Q.4 If there are any other issues/suggestions relevant to the subject, stakeholders may submit the same with proper explanation and justification.

Comments of BSNL: No Comment.

Yours sincerely



(Ved Prakash Verma)
DGM (Regulation - II)