

Bharti Airtel's Counter Comments in TRAI's Consultation Paper on "Ease of Doing Business in Telecom and Broadcasting Sector"

We had the opportunity to go through the comments submitted by various stakeholders on TRAI's Consultation Paper on "Ease of Doing Business in Telecom and Broadcasting Sector"

At the outset, we reiterate the submissions made by us in our main response dated February 9, 2022 and would like to additionally make the following submissions in response to the comments provided by certain stakeholders-

1) Allow IP-PSTN Connectivity in ILD/NLD License:

We do not agree with the views expressed by one of the stakeholders supporting IP-PSTN connectivity with ILDOs/NLDOs. As per the proposal diagram in one of the Stakeholder's submission, it has been proposed that an end customer (for instance a Corporate) can avail PSTN services through ILDO's network.

The above proposal is against the current licensing framework which has been in place since the inception of Telecom sector in India and licensees are required to take licenses as per the scope of services intended to be provided by them. Accordingly, Access Service, NLD and ILD service providers have distinct roles in the sector and are required to comply with different respective regulatory conditions, which are also aligned with their respective scope of services. Therefore, the proposal of the said stakeholder to allow customers to access PSTN (which is presently provided by Access Service Licensee) through ILDO network is against the basic principle of licensing regime of having different licenses for different services.

Further, in order to support its proposal, the said stakeholder has, without any basis stated that due to restriction on IP-PSTN connectivity through ILDOs/NLDOs, customers aren't able to reap the benefits of convergence and technological advancements. We do not agree with this as even under the current regime, customers are availing all technological benefits by taking services from Access Service Providers who are eligible to provide access voice services to the customers.

It is our submission that if IP-PSTN connectivity is allowed to ILD/NLD operators, it will lead to:

- Non-level playing field between Access Service providers and NLD/ILD service providers as Access Service Providers are required to take service area wise license (by paying applicable entry fee) but an ILDO will be able to provide such service by taking just one Pan India license.
- Regulatory uncertainty as Access Service Providers who have invested in their current network architecture in compliance with licensing and security related obligations, will be put at a disadvantage.

2) Universal Service Obligation Fund:

Presently, TSPs are contributing 5% of their AGR towards USO fund since last 20 years, however, the contribution made in the USO fund is not fully utilized and INR 60631 Crore is still lying unutilized in



USO fund. The fund should be used only for those purposes for which it has been created under the legislation.

We submit that the existing amount available in USO fund is sufficient to connect the remaining unconnected villages, therefore, the USO levy should be discontinued till the available USO fund is not completely utilized.

Further, we submit that TSPs should also be incentivized in terms of reduced License Fee ("LF") i.e., the current LF must be brought down to 1% at the earliest and should be charged only to cover the administrative expenses.
