

EBG Response to TRAI Consultation Paper on “Review of Scope of Infrastructure Providers Category-I (IP-I) Registration”

About EBG

EBG has been incorporated as a Section 8 Company on 11th March 2015 in the name of ‘EBG Federation’. EBG established in 1997 was a joint initiative of the European Commission and the European Business Community in India and has since been recognized by the Indian Government and the European Commission as the industry lobby representing the interest of European companies in India. EBG Federation is supported by the European Union.

As of today, EBG Federation has Chapters in Delhi, Mumbai and Bangalore with around 150 companies as members.

Executive Summary

EBG welcomes the TRAI consultation on “Review of scope of Infrastructure Providers Category-I (IP-I) Registration”

The National Digital Communications Policy (NDCP) 2018 has provided for enhancement of scope of IP-1, stating as below:

“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.”

The availability of a world class infrastructure is vital for the growth and development of telecom and broadband services in the country and order to achieve the vision and goals laid down under NDCP.

The Infrastructure providers have been key in establishment of passive infrastructure in the country and have enabled cost effective rollout of telecom services. NDCP aims to extend that success to cover active infrastructure also and also seeks to promote and incentivize the development of the same.

At present IP-1s are allowed to deploy passive infrastructure that is shared between telecom licensees on mutually agreed terms and conditions. IP-1s are also allowed to deploy active infrastructure on behalf of telecom licensees, however, it has been stipulated by DoT that such infrastructure has to be owned by a telecom licensee.

Telecom Licensees are also permitted to do active infrastructure sharing, with the elements being permitted to be shared prescribed as antenna, feeder cable, Node B, RAN, Transmission Systems

It can thus be seen from the above that deployment of both passive and active infrastructure is already been permitted to IP-1s. EBG believes that this condition of 'ownership' of the active infrastructure needs to be reviewed as this is likely constraining the sharing of active infrastructure.

It is therefore suggested that IPs should be allowed to own and deploy active infrastructure on behalf of telecom licensees, subject to their being an agreement in place with a telecom licensee for the IP-1 to go ahead with such deployment.

The active network elements that can be deployed by IP-s should be the same as that are permitted to telecom licensees' viz. antenna, feeder cable, Node B, RAN, Transmission Systems only.

It is important to emphasize that with the scope enhancement, the Infrastructure Provider would be able to install and own the active equipment, based on an agreement with a licensee, however it would not have operating rights. Further, IP-1 would not service the end customer and therefore, would conduct their business in B2B domain only.

Selling of end-to-end bandwidth is a licensed activity and should be permitted only to licensees.

Similarly Microwave backbone frequency can only be given to telecom licensees with access spectrum.

While infrastructure sharing leads to more cost effective rollout, the TRAI may also keep in mind that in certain cases, where IP-1s acquire exclusive rights at certain locations [such as airports, metro station, etc], there may be a risk of the IP-1s extracting monopoly rentals, thus defeating the very rationale and purpose of infrastructure sharing and also impacting availability and quality of service. Suitable safeguards may be considered by TRAI to address these concerns.

Issue-by-Issue response

Against the above backdrop, EBG's response to the questions raised in the Consultation Paper are as follows:

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

EBG submits that provision of active infrastructure is already permitted to IP-1s who can even today deploy such infrastructure on behalf of telecom licensees. EBG however believes that it will be desirable to allow the IP-1s to own such active infrastructure and suggest that the same may be permitted subject to an agreement being in place with a telecom licensee to enable such deployment/provisioning.

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 licensed/ 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.**

EBG submits that the Government has already laid down the active elements that are permitted to be shared, viz. antenna, feeder cable, Node B, RAN, Transmission Systems. The same elements believes that the same elements may be permitted to be owned, established, and maintained by IP-I also.

It is submitted that the active infrastructure should be allowed to be rented/leased/sold only to telecom licensees as permitted at present as otherwise, the scope of IP-1 will be venturing into the domain of service /operating rights, which is not permissible.

Thus the following active infrastructure elements permitted to be provided by IP-1 for sharing with telecom licensees only:

- i. Antenna
- ii. Feeder Cable
- iii. Node B/Base Stations
- iv. Radio Access Network
- v. And transmission systems only.

It is reiterated that such elements can be owned, established and maintained by IP-1s only on the basis of an agreement in place with a telecom licensee under the Indian Telegraph Act.

- 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.**

It is submitted that in case of provision of end to end bandwidth that was initially permitted to IP-II providers, such entities were a part of the licensing regime. In 2005, when the IP-II license was discontinued, the the existing IP-II licensees were asked to migrate to NLD (National Long Distance) licence which allows the NLD licensees to provide leased circuit connectivity to end customers also. Hence provisioning of end-to-end bandwidth continues to be a licensed activity.

Allowing IP-1 to provide end-to-end bandwidth would tantamount to their foraying into the area of licensed activity, which service cannot be provided under a registration regime.

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.

For the above scope enhancement as suggested by EBG, viz. permitting IP-s to own establish and operate active infrastructure basis an agreement with a telecom licensee, we believe that there is no requirement to change any existing IP-1 registration conditions. A condition may be added that active infrastructure provision would require an agreement with a Licensed Telecom Service Provider.

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?

EBG recommends that IP-1 should be allowed to obtain Wireless Telegraphy Licenses from WPC wing of the DoT, subject to an agreement in place with a licensed telecom service provider.

The procedure applicable on other service providers for possessing/import of wireless equipment can be made applicable for IP-1 as well.

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

No, the MWB Spectrum allocation should not be permitted to the IP1s. EBG believes that Microwave Backbone (MWB) spectrum can be allocated only to licensees with access spectrum and should not be permitted to be allocated to IP-1. Furthermore, it may be noted that MWB is chargeable on an AGR basis and hence permissible to be allocated to licensees only.

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.

We believe that faster rollout can be achieved with the scope enhancement suggested above.

Q4. Any other issue relevant to this subject.

While infrastructure sharing is intended to lead to more cost effective rollout, EBG would however like to request TRAI to ensure fair, reasonable and non-discriminatory access for all TSPs. The TRAI, has itself, in a recent QoS paper highlighted areas of concern with regard to QoS in the DMRC network, where it has noted that the condition of DMRC on the IP to mandatorily give connectivity to all operators would solve the “discriminatory” part of problem, but not problem of “fair price” as exclusive rights are available with one provider. And that it may also not solve problem of maintaining QoS. Such problems invariably arise in areas where the IP-1s are able to obtain exclusive rights, such

as airports, metro, etc. Whilst enhancing the scope of infrastructure providers, it is requested that this above concern may be addressed in the regulatory framework, appropriately.