

February 24, 2023.

**To**  
**Shri Sanjeev Kumar Sharma**  
**Advisor (BB&PA)**  
**Telecom Regulatory Authority of India**  
**Jawaharlal Nehru Marg, New Delhi-110002.**

**Subject: GCXG's Counter Comments on the responses to Consultation Paper dated December 23, 2022 "Licensing Framework and Regulatory Mechanism for Submarine Cable Landing in India".**

Dear Sir,

Please find attached GCXG India Private Limited counter comments on the comments provided by various stakeholder on consultation paper dated 23-12-2022 on "Licensing Framework and Regulatory Mechanism for Submarine Cable Landing in India".

Thanking You.



Pradeep Kumar Bhat  
Authorised Signatory

Enclosure: as above.

**GCXG India Private Limited counter comments on the consultation paper dated 23-12-2022 on “Licensing Framework and Regulatory Mechanism for Submarine Cable Landing in India”.**

We have studied the comments provided by various stakeholder to the consultation paper dated 23-12-2022 on “Licensing Framework and Regulatory Mechanism for Submarine Cable Landing in India”.

All stakeholders have unequivocally agreed to streamline and simplify the process for getting approval and permits from various state and central agencies for laying submarine cable and its repairs and maintenance post installation. As this will result in saving time, cost and faster implementation of submarine cable projects including the restoration of the subsea network.

Certain stakeholder welcomed the domestic cable connectivity and stub cable concept, however there is demand for regulatory intervention in form a legal framework so that such concepts are explored by the providers.

But certain stakeholder suggested for entry barrier for new ILDO for setting up CLS in this respect we would like to clarify as follows:

- a. The affordability of international bandwidth on submarine cable has increased its utilisation in India, this is due to the reasonable regulatory intervention by TRAI in 2007, 2012 and 2018, though these regulation do not regulate submarine cable but are monitoring and administering the access of international capacity on submarine cable at CLS , which enabled small ISP and ILDO to buy the international capacity at a competitive prices. The object and purpose of aforesaid regulations is to create a level playing field and equal access to the international cable, therefore, any regulations that will result from this consultation will be to achieve the said object and purpose and not to give advantage to the dominant ILDOS.
- b. Though the submarine cable industry needs regulatory intervention to monitor or administer the fair competition and to abolish unfair trade practises adopted by dominant ILDO for landing the submarine cable in India, such regulatory involvement will welcome the ILDO and ISP to come forward to set up the cable landing station.
- c. Certain comments suggested for minimum net worth and experience conditions for ILDO in addition to owing assets in Indian territorial water to establish CLS and even INR 250 crore of net worth and 10% stake in submarine cable is suggested as criteria for prospective new ILDO entrants for establishing CLS. If the criteria’s such as (i) minimum network, (ii) experience and (iii) owning assets in Indian territorial waters or stake in submarine cable, become entry barriers or criteria for setting up CLS, such condition will help to create monopoly for larger/dominant ILDO and will shut doors for honest new entrant to set up CLS in India, especially for small Indian entrant. These proposed conditions are harsher and unreasonable and cannot be complied by small ILDO and ISP and even this type of onerous conditions are not present for getting telecom license in India.

- d. We cannot find such entry barriers or conditions suggested in countries, such as in EU , UK , Singapore , Hong Kong or certain middle east countries for establishing CLS except in USA. But FCC is flexible in granting cable landing license in USA to foreign operators who are based outside of USA, hence such conditions are suggested by FCC, however there is no onerous financial obligation of net worth proposed by FCC for granting cable landing license in US .
- e. The object and purpose of regulation to be framed pursuant to this consultation, shall be conducive to create level playing field and so that new entrant who desire to set up CLS should not be burden with the any kind of financial conditions whether it is in the form of net worth or owing stake in submarine cable or owing asset in territorial waters and should treated equally , so that new ILDO entrant shall be placed in a position similar to any other existing ILDO when they entered into this segment.
- f. Acquiring X% of stake in submarine cable is a financial burden on ILDO, especially on smaller ILDO or new entrants as they have to invest on acquiring stake and have to spend additionally when the submarine cable is upgraded or even have to share their portion for the operation and maintenance and repair cost, which they cannot afford, therefore such conditions cannot be part of ILD License or in any regulation in relation to setting up the Cable Landing Station. Owning asset in territorial waters of India, is not a viable condition, when entire submarine cable is considered as single asset and parting ownership only in Indian territorial water to an ILDO is against the entire ownership concept, as the submarine cable operator may be funding such big project by financing from various sources, hence they find difficult to fund the submarine cable in Indian territorial waters if it owned by an ILDO even an ILDO may be burden financially to find investment for such complicated project, therefore these conditions will stop the new entrant from entering into this segment. Accordingly, only condition to be part of license is a Landing Party Agreement ILDO enter with submarine cable owner to facilitate landing including getting Indian permits and approval and owning the CLS infrastructure In India.
- g. The concerns raised by ILDO to introduce entry level criteria defies any business logic, such concerns cannot be resolved by the net worth , experience or owing asset in territorial waters of India , but by a set of rules or code, like business back plans and regular infrastructure audit and resiliency plan to protect their network /infrastructure The measures adopted by other countries for redundancy and resilient may be followed.

Stub cable is a welcomed initiative, but we see some comments are not in favour of this concept, therefore we would like to clarify how stub cable will benefit the submarine cable segment;

- a. CLS diversity and stub cable concept to be encouraged, but the scope of stub cable is to reduce the cost and time for laying new submarine cable. Stub cable facilitate the branching of existing cable to bring diversity to the existing submarine systems, therefore the stub cable concept need to be promoted for its cost effectiveness and lesser time consumption to implement subsea cable project and a new submarine

cable landing faces many administrative challenges during the cable lay operation, the use of stub cable will certainly help to reduce these challenges.

- b. Besides the use of stub cable , the reuse of the retired or decommissioned submarine cable to be promoted to the extent it is technically viable to reuse the decommissioned or retired cable physical network elements in territorial water of India under its existing or renewing permits, this will be a cost effective measures and encourage submarine cable segment.
- c. Therefore, legal framework is required to promote stub cable and reuse of retired cable , otherwise such concept would not take off.

Lastly, we would like to provide our additional comments on interconnectivity of CLS, though stake holders conceded that there is no regulatory restriction on providing the interconnectivity, but one stake holders raised concerns over security and has not explained the security concerns, so believe that there is a need for regulatory clarification on the following.

- a. Appropriate direction or regulatory framework may be required on provision of such interconnectivity, clarity on security concerns such as whose LIM will be used for terminating traffic and whether India transit traffic when passes to such interconnectivity is subject to LIM or not.
- b. Clarity on provision of such interconnectivity using NLDO network.