

Ozonetel Communications Pvt. Ltd, Inputs on Consultation Paper No. 10/2022

(Consultation Paper on Rationalization of Entry Fee and Bank Guarantees)

Sl. No	Consultation Question	Inputs from Ozonetel Communications Pvt. Ltd.
1	Should the entry fee be rationalized from the present levels in the UL and UL (VNO) licenses? Please support your comments with detailed justification?	Yes. The entry fee should be very minimal if it has to be enforced to cover any administrative costs, else it can be a zero entry fees regime. The simple basis for this logic being, VNOs are functionally just like the Direct Selling Agents deployed by the Telecom Service providers sans any brand identity, which VNOs may choose to have. Anyways VNOs cannot build their network nor can be assigned any natural resources auctioned by the Government. VNOs just resell the services which are built and managed by the parent Telecom Service Providers.
2	If the answer to Q1 is yes, should the entry fee be rationalized across all authorizations or some specific authorizations, both within each license and across licenses? Please justify.	Yes. Its best rationalized across all Authorizations to promote and democratize the proliferation of the adoption of the intended services under respective authorizations.
3	What should be the methodology for arriving at the rationalized entry fee and/ or other terms and conditions for each authorization? Please provide the detailed rationale for each authorization.	The methodology shall only be such that it just covers the administrative costs of DOT to ensure their regulatory oversight.
4	Should a uniform Entry Fee be charged for each of the authorizations in the UL and UL (VNO) licenses, both within each license and across licenses? Please justify.	Yes. There should be a startup business friendly one-time fee to secure regulatory approval to deliver all these services.
5	What should be the amount of the uniform Entry Fee for various authorizations? Please justify	As mentioned above it should be just adequate to meet any incremental regulatory oversight costs of DOT.
6	Should the Entry Fee in licenses/ registrations/ authorizations/ permissions, other than UL and UL (VNO) be rationalized? If yes, please provide the reasons and appropriate levels of entry fee for each of these licenses/ registrations/ authorizations/ permissions.	There is a need to bring all these authorizations and application Services like Hosted Telephony solutions, IVR services, Hosted Contact centre technology services under one single authorization and that should enable Pan-Indian Coverage of the service delivery by these entities. There is absolutely no need to limit these on any count, to the outdated jurisdictions like SDCA/LSA etc. in the era of all digital and converged networks. Today the network function is virtualized and there are software defined networks where

		entire World can get connected seamlessly on multiple communications technologies. So the regulation should be in line with emerging technology landscape, than otherwise.
7	Is there a need to continue with the practice of the Bank Guarantee in various licenses/authorizations? Please Justify.	No. These are just users / resellers of the Facilities being provided by already licensed and regulated Telecom Service Providers. As they do not own any network of their own, they do not play any role in the actual functioning of the Telecom Services of the Parent TSPs nor can they assure its performance for which the Bank Guarantees were originally meant for the licensees. Some of these application Services Providers may buy the Telecom trunks in Bulk as an aggregator and do Technology value addition through their Telephony Application Programming Interfaces and platforms and deliver services to their end clients. We do not see any need for any BGs to be insisted to deliver these services.
8	If the answer to Q7 is no, then what practice should be followed to secure the Government dues and performance of service providers?	As mentioned, Government may adopt a light touch regulation and not levy any dues for these services and service provision, and thus there won't be any need to accrual of any dues in the first place. There should be penalties for any regulatory violations and they can always be enforced. The penalties for each of the violations may be clearly spelt out to avoid any ambiguity. Recurring violations on the same reason may have deterrent multiples of the penalty than the first time violation.
9	Is there any justification for merging the two bank guarantees i.e., Financial Bank Guarantee and Performance Bank Guarantee? Please give detailed justification.	As we suggest total removal of the BGs like they were removed from OSPs, under simplified regime, the same may be extended to these entities as well and BGs may be avoided completely.
10	What should be the methodology to calculate the amount of merged Bank Guarantee? Please Justify. What should be associated terms and conditions with reference to financial and performance parameters?	Does not arise as we recommend abolition of the BGs in the first place.
11	What should be the amount of merged bank guarantee that should be made applicable for new entrants during the first year? Please justify.	Does not arise as we recommend abolition of the BGs in the first place.
12	What should be the methodology to review the merged Bank Guarantee and after how	Does not arise as we recommend abolition of the BGs in the first place.

	much time? Please justify. In case of failure to meet only performance parameters or only financial parameters what should be the methodology for partial encashment of BG?	
13	Should the merged bank guarantees be applicable for new entrants as well as existing licensees other UL/ UL (VNO)? Please give justification for your response.	Does not arise as we recommend abolition of the BGs in the first place.
14	Is there any need to merge or review the bank guarantee for the licenses/ registrations/ authorizations/ permissions other than UL and UL (VNO)? Please justify.	Does not arise as we recommend abolition of the BGs in the first place.
15	Any other relevant issue that you would like to highlight in relation to the above issues?	These are services based operators who do not own or manage any Telecom facilities. They may be completely brought under a very light touch regime with least possible compliance load, as per the objectives enshrined in the NDCP 2018