

For Immediate release

Telecom Regulatory Authority of India

TRAI releases recommendations on ‘Introduction of Digital Connectivity Infrastructure Provider Authorization under Unified License (UL)’

New Delhi, 08th August 2023 – The Telecom Regulatory Authority of India (TRAI) has today issued its recommendations on ‘*Introduction of Digital Connectivity Infrastructure Provider Authorization under Unified License (UL)*’.

National Digital Communications Policy (NDCP-2018) emphasizes on digital infrastructure stating that “Digital infrastructure and services are increasingly emerging as key enablers and critical determinants of a country’s growth and well-being”. Digital Connectivity Infrastructure (DCI) is essential for the growth of the global data economy. A robust DCI contributes significantly to economic development both by increasing productivity and by providing amenities that enhance the quality of life. DCI plays a vital and leading role in successful implementation of various Government schemes under Digital India, Make in India, Ayushman Bharat Digital Mission (ABDM), and development of Smart Cities. DCI's growth drivers include the commercialization of 5G, increasing demand for internet and cloud infrastructure, proliferation of IoT sensors and devices as well as private LTE networks, among others.

2. The need for such entities that can be in business of passive as well as active infrastructure creation is further felt in wake of poor ‘In-building Digital Infrastructure’. To address the issue TRAI has issued its recommendations on “Rating of Buildings or Areas for Digital Connectivity” on 20th February 2023. The emphasis of these recommendations is on providing a framework for creation of an ecosystem for DCI to be an intrinsic part of building development plan similar to other building services such as water, electricity or Fire Safety System etc. DCI is to be co-designed and co-created along with building development through collaborations among various stakeholders including Property Managers (owner or developer or builder etc.), service providers, infrastructure providers, DCI Professionals and Authorities at various urban/ local bodies. The Authority is of the view that if active

as well as passive DCI is to be created as intrinsic part of building development plan, this will require such players in the market that will be specialized in creation of active and passive DCI and are authorized to do so.

3. In this light it's imperative that new players are encouraged and promoted through conducive licensing framework for creation of both active and passive infrastructure over which any digital service can ride. The presence of neutral third-party entities that can create passive as well as certain network layer active infrastructure can help in increased sharing, bring down overall infra costs and strengthen the service delivery segment.

4. TRAI received a reference from DoT vide its letter dated 11.08.2022 wherein it has been stated that competent authority has decided for creation of a new category license "Telecom Infrastructure License (TIL)". Such licensees may be permitted to establish, maintain, and work on all equipment for wireline access, radio access and transmission links, except the core equipment and holding of spectrum. DoT has sought recommendations on this new category of license and its terms and conditions of such license, applicable license fee etc. under section 11(1) (a) of the TRAI Act 1997.

5. Accordingly, TRAI issued a Consultation Paper on 'Introduction of Digital Connectivity Infrastructure Provider Authorization under Unified License (UL)' on 09th February 2023. The comments and counter-comments received from various stakeholders are available on TRAI website. In this regard, an Open House Discussion (OHD) was also held on 20th June 2023 through video conference.

6. Based on the comments/ inputs received from the stakeholders during consultation process, discussion held during OHD and further analysis of the issues, the Authority has finalized Recommendations on 'Introduction of Digital Connectivity Infrastructure Provider Authorization under Unified License (UL)'.

7. The salient features of the recommendations are as follows: -

- (i) The Authority has recommended for creation of a new category of License that allows for creation of both active as well as passive digital connectivity infrastructure. This DCIP license should not be standalone license, but an authorization under Unified License. This license authorization should be called as 'Digital Connectivity

Infrastructure Provider (DCIP) License'. There should not be any license fee applicable to DCIP authorization.

- (ii) The scope of the proposed DCIP authorization includes to own, establish, maintain, and work all such apparatus, appliance, instrument, equipment, and system which are required for establishing all Wireline Access Network, Radio Access Network (RAN), Wi-Fi systems, and Transmission Links. However, it shall not include spectrum and core network elements such as Switch, MSC, HLR, IN etc. The scope of the DCIP license also includes Right of Way, Duct Space, Dark Fiber, Poles, Tower, Feeder cable, Antenna, Base Station, In-Building Solution (IBS), Distributed Antenna System (DAS), etc. within any part of India. The scope of DCIP authorization does not include provisioning of end-to-end bandwidth using transmission systems to any customer or for its own use. However, DCIP will be allowed to install wired transmission link (but not wireless) to connect to its own BBU (Baseband Unit)/RU (Radio unit)/Antenna.
- (iii) Entry fee for DCIP authorization should be kept at Rs. 2 lakhs and application processing fee at Rs. 15,000. The penalty for violation be kept at the level that is prescribed for ISP Category 'B' Authorization. No Performance Bank Guarantee (PBG) be imposed on DCIPs. An amendment should be made in Unified License to ensure that various License conditions applicable on hirer (hirer of service obtains and utilizes DCI from DCIPs), including the operating and security conditions are not breached due to use of DCI of DCIP.
- (iv) To keep the authorization light touch under UL several conditions of Part-I of Unified license have been exempted from applicability to DCIP Authorization.
- (v) For ensuring compliance of the security conditions, QoS, interconnection, non-discrimination etc. of the license, Principal - agent relationship between DCIP and licensed entities have been used for self- regulation whereby DCIPs have been obligated to install DCI items, equipment, and systems in such a way that the Hirer of their infrastructure is able to fulfill the Licensing conditions including technical, operating, Quality of Service (QoS) and security conditions, when riding on their DCI items, equipment, and systems; subject to such other directions as Licensor or TRAI may give from time to time. DCIPs have also been obligated to ensure that they enter into a

formal written agreement with eligible entities before providing access to DCI items, equipment, and systems to them on lease/rent/sell basis. These agreements should invariably contain clauses obligating DCIPs to ensure that Hirer of their DCI items, equipment, and systems is able to fulfill the Licensing conditions including technical, operating, QoS and security conditions, when riding on their DCI.

- (vi) The DCIP Licensees have been allowed to share all infrastructure owned, established, and operated by them under the scope of their Authorization with other Licensees under UL (excluding DCIPs) and also with ISPs (not in UL), subject to condition that only such infrastructure will be shared that is allowed to be established by other licensee in its own license. To that effect, the provisions of this clause will have overriding effect on Clause 33 of Part-I of the UL.
- (vii) It has been recommended that the DCIP Licensees shall provide DCI items, equipment, and systems on lease/rent/sale basis to any entity (excluding other DCIPs) having a valid license under section 4 of Telegraph Act 1885, and entities notified by the Government for this purpose. DCIP licensees who are also licensed under the Electricity Act are proposed to be allowed to offer such infrastructure (that are permitted under the scope of this authorization) on access rights basis. The Authority also recommends that DoT should add a similar clause in the IP-I registration agreement.
- (viii) It has also been recommended that DCIP Licensee should be eligible to apply for and issue of licence under the Indian Wireless Telegraphy Act, 1933 to possess such wireless telegraphy apparatus (without assignment of any spectrum) that is permitted under the scope of DCIP authorization. However, the DCIP authorization holder should not be eligible to apply for and assignment of any kind of licensed spectrum.
- (ix) The Authority had earlier, vide its recommendations on 'Use of street furniture for small cell and aerial fiber deployment' dated 29th November 2022 had recommended that enabling provisions or suitable terms and conditions be introduced in all telecom licenses and IP-I registration agreement prohibiting the TSPs/IP-I providers from entering into any exclusive contract or right of way(s) with infrastructure owners/CAAs (Controlling Administrative Authorities) or any other authority. The Authority has reiterated its recommendation. In line with the same, in the DCIP authorization, it

has been recommended that the DCIPs should be forbidden from entering into legally binding contractual agreements conferring indefeasible Right of Use (IRU) of its DCI to specific eligible entity(ies), which may lead to the exclusion of others. The Authority has also recommended that a similar clause may likewise be introduced in IP-I registration.

8. The recommendations have been placed on TRAI's website www.trai.gov.in.

9. For any clarification/information, Shri Sanjeev Kumar Sharma, Advisor (Broadband and Policy Analysis) TRAI may be contacted at Tel. No. +91-11-23236119.


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