

## Answers to TRAI CP Paper

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### Preamble

1. The fact is that inspite of all concessions, reliefs given to telecom operators, since their birth, they state that they are in financial stress. They have licences spectrum, yet not and not able to provide fixed line connectivity, connect the unconnected especially in rural-hilly areas/marginalized customers. Intermittently some relief are given, but the situation remains same. So, there is need to take holistic view at one time and see if India can have profitable and viable and self-sustained telecom operators.
2. It is Government mandate to go digital and in that case it is duty of Government to provide connectivity to citizens, rather than making them dependent on private players.

### Answers to CP

#### Fixed-line broadband

1. What should be the approach for incentivizing the proliferation of fixed-line broadband networks? Should it be indirect incentives in the form of exemption of license fee on revenues earned from fixed-line broadband services, or direct incentives based on an indisputable metric?

Ans: Exemption of licence fees is not recommended due to (i) various factors mentioned in TRAI paper (ii) it does not ensure any commitment on the part of operator to expand and invest in fixed line business, even though it gives some relief in profitability.

We recommend that

- i) Direct subsidy or incentive be given to the customer for broadband utilisation. This can be on the lines of USA. A brief of USA scheme is given below:

*The FCC announced that more than one million households have enrolled in the Emergency Broadband Benefit Program in only one week since the program began on May 12, 2021. That program was established pursuant to the Consolidated Appropriations Act of 2021, which created a \$3.2 billion Emergency Broadband Connectivity Fund for participating providers to offer discounted broadband services and devices to eligible households during the COVID-19 pandemic. In particular, eligible households may receive a discount on broadband services of up to \$50.00 per month (or up to \$75.00 per month on Tribal lands) and a single reimbursement of up to \$100.00 for certain connected devices (i.e., a laptop, desktop computer, or tablet) supplied by the broadband provider.*

- ii) The operator, on the other hand, be directly given incentive for each broadband connection given in rural/marginalised/hilly areas, say Rs 10,000 each subject to maximum of Rs 10 lacs in a given area.
2. If indirect incentives in the form of exemption of license fee on revenues earned from fixed-line broadband services are to be considered then should this license fee exemption be limited to broadband revenue alone or it should it be on complete revenue earned from services delivered through fixed-line networks?

We are not in favour of exemption of licence fees.

3. In case of converged wireless and fixed-line products or converged services delivered using the fixed-line networks, how to unambiguously arrive at the revenue on which license fee exemption could be claimed by the licensees?

We are not in favour of exemption of license fees model.

4. What should be the time period for license fee exemption? Whether this exemption may be gradually reduced or tapered off with each passing year?

We are not in favour of license fees exemption.

5. Is there a likelihood of misuse by the licensees through misappropriation of revenues due to the proposed exemption of the License Fee on the revenues earned from fixed-line broadband services? If yes, then how to prevent such misuse? From the revenue assurance perspective, what could be the other areas of concern?

We are not in favour of licence fees exemption.

6. How the system to ascertain revenue from fixed-line broadband services needs to be designed to ensure proper verification of operator's revenue from this stream and secure an effective check on the assessment, collection, and proper allocation and accounting of revenue. Further, what measures are required to be put in place to ensure that revenue earned from the other services is not mixed up with revenues earned from fixed-line broadband services in order to claim higher amount of incentive/exemption.

We are not in favour of licence fees exemption.

7. Is there any indisputable metric possible to provide direct incentive for proliferation of fixed-line broadband networks? What would be that indisputable metric? How to ensure that such direct incentives will not be misused by the licensees?

As state above, we recommend that direct subsidy or incentive be given to the customer for broadband utilisation. This can be on the lines of USA. A brief of US scheme is given hereinabove.

## **STREET FURNITURE**

8. What are key issues and challenges in getting access to public places and street furniture for installation of small cells? Kindly provide the State/ City wise details.

Pl see answer to next question

8. How to permit use of public places and street furniture for the effective rollout of 5G networks? Kindly suggest a uniform, simple, and efficient process which can be used by States/ Local-Bodies for granting access to public places and street furniture for installing small cells. Kindly justify your comments.

We believe a fundamental change in our approach. If we have to reach 1,000 BTS per sq. Km., as suggested by High Level Forum (Para 2.31 of TRAI CP Paper), we need to think differently:

- i) SO far we have believed that the right of way is State subject t, so while Central Govt has been promoting telecom, it has been left to States to allow or not allow the

- installation of cables, towers, street furniture. Not only States, these has been left to local District/Panchayat Level/ Forest authorities.
- ii) Let us re-examine this theory.
  - iii) Article 257(1) in The Constitution Of India 1949 say “The executive power of every State shall be so exercised as not to impede or prejudice the exercise of the executive power of the Union, and the executive power of the Union shall extend to the giving of such directions to a State as may appear to the Government of India to be necessary for that purpose”
  - iv) Constitution provides “Telecommunications” to be Central Government subject. Entry No.31 in List I (Union List) of the Seventh Schedule to the Constitution of India covers "Posts and telegraphs, telephones, wireless, broadcasting and other like forms of communication". Thus, only the Central Government, as per Article 246 of the Constitution, can legislate on these subjects.
  - v) Indian Telegraph Act, etc. 2.3 Section 4 of the Indian Telegraph Act, 1885 reads as under: - “4. Exclusive privilege in respect of telegraphs, and power to grant licenses. — (1) Within India, the Central Government shall have exclusive privilege of establishing, maintaining and working telegraphs
  - vi) Recently MOF, Secretary Expenditure issues orders to all States to follow the Central Govt. orders on procurement from b order countries GFR 144(xi) vide F No. 6/18/2-19=PPD dated 23.7.2020 clearly informing that the said order has been issued under Article 257 (1)
  - vii) **In view of above, we suggest that Central Govt makes mandatory rules for ROW and apply it to all States to allow street furniture for installation of Telecom infrastructure.**

### **Demand of Fixed Line Broadband**

10. Which all type of channels of communication should be standardized to establish uniform, transparent, and customer friendly mechanisms for publicizing provisioning of service and registration of demand by Licensees?

Ans: Usual social media, associations, telecom operators channel to Customers and Universities communications.

11. Whether proliferation of fixed-line broadband services can be better promoted by providing Direct Benefit Transfer (DBT) to subscribers of fixed-line broadband services? If no, elucidate the reasons.

Ans: Yes we support DBT, as this has shown good progress in other sectors.

12. If answer to Q11 is affirmative, then: i. Should DBT scheme be made applicable to all or a particular segment of fixed-line broadband subscribers? Kindly justify your comments. ii. If you recommend supporting a particular segment of fixedline broadband subscribers, how to identify such segment of the subscribers? iii. How to administer this scheme? iv. What should be the amount of DBT for each connection? v. What should be the period of offer within which individuals need to register their demand with the service providers? vi. What should be the maximum duration of subsidy for each eligible fixed-line broadband connection?

Ans: We suggest DBT be allowed to all fixed line broadband for few initial years, may be 3 years.

13. Any other related issue