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**Shri S.T. Abbas**

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Telecom Regulatory Authority of India  
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New Delhi 110002

**Subject: Inputs on Draft TRAI Recommendations on "Ease of doing Telecom Business in India"**

Dear Sir,

This is with reference to TRAI draft recommendations dated 19.09.2017 on above mentioned subject uploaded on TRAI website.

At the outset, Telenor (India) applaud TRAI efforts to simplify various procedural issues by proposing forward looking recommendations in line with the industry inputs.

In this regard, please find enclosed our comments to the draft recommendations as an annexure to this letter. In our response, we have also highlighted few additional issues in line with our earlier submissions made to the Authority. We are of the view that these issues are important from the perspective of ease of doing telecom business and should be reviewed & included in the recommendations.

We hope that the TRAI will find our response useful and consider our inputs while finalising the recommendations on this subject.

Thanking you,

Yours sincerely,

For **Telenor (India) Communications Pvt. Limited**  
(Erstwhile Telewings Communications Services Private Limited)

**(Pankaj Sharma)**  
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## Telenor (India)'s Comments on Draft Recommendations - "Ease of Doing Telecom Business in India"

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TRAI suo-moto consultation for simplifying the procedural issues for telecom business under the Government commitment of "Ease of doing business" is a noteworthy effort for improving the operational efficiency of the sector. We have reviewed these draft recommendations and would like to submit following comments/ additional inputs –

### SACFA Site Clearance:

We fully agree with TRAI's view that the entire process of SACFA clearance should be paperless and end-to-end executed through online platform. However, the following additional measures needs to be considered to make the process more efficient and effective:

- **Reduction in Application Registration Fee for SACFA Citing Cases:** While submitting SACFA citing application with WPC, registration fee of Rs 1000/- per ID mandatorily to be deposited by TSPs for all category of sites (separately for GSM/ MW) to process the applications. TSPs are also mandated to apply for every additional antenna being installed on existing site under "additional category" and pay Rs 1000/- for the same. It is suggested that in line with earlier recommendations on reduction in 10% samples testing & 80% reduction in test fee for rollout obligation in BHQs, **TRAI should recommend 90% reduction in SACFA application fee / per ID or alternatively, charge Rs 1000/- basis the per 100 application lot instead of each application** which will be sufficient to meet administrative charges for website maintenance.
- **Allow to mention entire frequency band in the SACFA Application:** As per the present SACFA procedure, TSPs have to mention the specific allocated frequency spots while applying for SACFA clearance. Post harmonisation of 1800 band, the frequency band for mobile usage is demarcated as 1710-1765 / 1805-1860 (55 MHz each in uplink and downlink) and similar events may happen in future due to (a) Acquisition of fresh spectrum through Auctions, (b) Change in existing spots by WPC due to harmonisation, (c) Sharing of spectrum. In these circumstances the frequency spots within the band can change necessitating a change in the existing SACFA clearances.

Hence, we suggest that WPC should not insist on specific spot frequencies allocated to the TSP, rather the SACFA clearances should be given for the entire frequency band of 55 MHz irrespective of technology being deployed. It is the responsibility of TSPs to ensure that site(s) for which SACFA has been obtained should only be radiating in the frequency spots within the band allocated by WPC at all the times. This clarity in the process will bring major relief in SACFA clearances by bring down the multiple applications or clarifications.

- **Other issues / simplifications required in existing SACFA Process / Portal:**

- Presently, TSPs are not allowed to edit the SACFA radiating power after obtaining final SACFA clearance. For example, if TSP had applied with 'AA' watt of power five years back and final SACFA clearance was issued accordingly. However, TSP is upgrading its network and wishes to increase the power to 'AAA' watt of power within the permitted limit. In such a scenario, TSP needs to reply the SACFA under full citing application category making existing clearance invalid. TRAI should recommend that the necessary provision should be made in the portal to modify the power online and able to generate the updated final SACFA clearance under the intimation of WPC for their records and necessary action (if any).
- In the present procedure, the final SACFA clearance provided has a validity of one year. The premise of one year validity was linked with the obtaining of Wireless Operating License within the one year from the receipt of SACFA clearance. The Government has recently abolished the requirement of wireless operating license. Moreover, in case of expiry of validity of SACFA clearance, same has not been accepted by TERM Cell during the rollout obligation certification. Thus, SACFA clearance validity should be co-terminus with the validity of the spectrum.
- Presently, there is no provision of bulk uploading facility in the SACFA portal. TSPs has to fill all the required fields manually in the portal for each and every SACFA citing application, which is very cumbersome, time consuming and high increase the chances of errors. Thus, SACFA portal should have a facility of bulk uploading of applications with minimum 20-25 applications together. This will have significant savings of resource & time at TSPs end.

### **Simplification of M&A Policy:**

Presently, the lock-in conditions in the license are linked with the rollout obligation which needs to be fulfilled prior to any sale of equity by an operator. When spectrum trading guidelines were notified, a provision was made to transfer the unfulfilled portion of the rollout obligation from the seller to the buyer in case of full spectrum trade.

In view of ongoing consolidation in the sector, similar provision should be incorporated in the M&A guidelines and thereby making it consistent with other guidelines. Such change will enable the Transferor Company to transfer the unfulfilled portion of the rollout obligation to the Transferee Company at the time of completion of the merger. However, in case Transferee Company has already completed its rollout obligation using its existing spectrum of same band, there should not be any obligation arises for completion of unfulfilled portion of the rollout obligation transfer by the Transferor Company.

Such parity in M&A policy will reduce the transaction completion time of the merger substantially and facilitate effective market consolidation in the sector.

### **Rationalizing of prescribed fee for testing of roll-out obligations:**

We are in agreement with TRAI for the proposed recommendation to charge roll-out obligation test fee only for the DHQs/ BHQs / SDCAs which are actually tested by TERM Cells. In this regard, we wish to highlight that presently as per DoT notification No. 10-18/2016-AS-IV dated 26 September 2016, the benefits of 80 percent reduction in test fee is applicable only for BHQs testing in phase 3, 4, & 5 of the rollout obligations / rural SDCAs. DoT has not extended this benefit for DHQs testing under phase 1 & 2 of the rollout obligation. In case of Telenor (India) while carrying out the testing for rollout obligation phase-2 for Assam LSA during August / September 2017, testing fee has been paid as per fee structure applicable prior to issuance of this letter. We request TRAI to recommend removal of such anomaly and extend the benefit of reduced testing fee to all the phases of rollout obligation.

### **Taxes and levies**

Rationalization of taxes and levies is one of the most important reforms required to boost the financial health of the telecom sector today. Related issues are highlighted as follows:

- **Rationalization of USO levy:** TSPs are paying 5% of their AGR towards USO levy under licensing obligation since introduction of revenue sharing regime for rural coverage. We are of the view that the existing amount available in USO fund is sufficient to connect the balance unconnected villages. Thus, **USO levy should immediately to be brought down to 3%, with an ultimate objective of doing away with the levy in next 1-2 years** in line with TRAI recommendations.
- **Flat Spectrum Usage Charges (SUC):** SUC should be imposed at flat rate across all spectrum bands / technology used by the Service provider with a glide path for downward revision only to recover administrative cost and should be equally applicable to all service providers. This anomaly should be addressed by abolishing weighted average SUC with flat SUC regime.

#### Online Reporting:

- Currently, licensee is mandated to submit various compliances on the following license conditions during the year. Similarly, TSPs are submitting compliances to various TRAI Directions issued from time to time throughout the year. In view of the same, there is a need for consolidation of all the licensing and regulatory compliances and certifications together into a single compliance document and same should be submitted once in a year through online platform.
- Moreover, all reporting requirements (regular as well as adhoc) of DoT & TRAI should be minimal and to be done through dedicated online reporting portal. Accordingly, TRAI may incorporate online interface to submit the single compliance and regular reports/ adhoc information in order to make the entire process paperless for DoT.

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