



Vodafone Response to TRAI Consultation Paper on 'Method of allocation of spectrum for Public Mobile Radio Trunking Service (PMRTS), including auction, as a transparent mechanism' dated 8 February 2018

PREAMBLE

Having introduced a Unified Licensing regime in 2013, with PMRTS being a chapter under Unified License, we believe that the Government should not deviate from the spirit and objective behind introducing a Unified Licensing regime –and ensure that there is a simple and unified framework that is applicable to all services / authorizations that are permissible under Unified License.

The service being a spectrum based access service, the rules and principles must be same with regard to the allocation of spectrum, usage charges, caps, etc applicable to access service providers.

ISSUE WISE RESPONSE

Q1. Do you agree that existing License Service Area (LSA) based authorization criteria for PMRT service license is appropriate? If not, should there be a city/district based authorization aligned with spectrum allocations?

- a) We believe that for any spectrum based service, the service area should continue to be defined on Circle basis as otherwise there is a possibility of misuse. This has also been highlighted by the TRAI on numerous occasions.
- b) The challenges of a sub-service area wise allocation of spectrum have been recently highlighted by TRAI in its recommendations for a Category B VNO, where the TRAI had noted that

*2.21 If DID franchisees are also allowed to provide wireless services under their brand(s), under UL (VNO) Cat 'B', the issue will arise as to how these licensees will be able to confine their services within the territory of license area of a district only. In such a circumstance existing Telecom Service Provider (TSP) or Network Service Provider (NSO) shall have to restrict the users of the District based operator to its license area and charge them roaming charges once a user of UL (VNO) Cat 'B' roam out of its licensed geographic area. **Such an arrangement may not be practically possible as it will give rise to technical issues to both NSO and VNO which can further result in inconveniencing the customer.***

*"The Authority had sought view on challenges specifically in allowing district based operations in mobile telephony as well as associated issues of roaming , SUC and AGR etc. Based on the views submitted by the stakeholders **the Authority is of the view that in the light of the complexities involved, the arrangement of allowing wireless access services by a UL (VNO) Cat 'B' licensee is not workable.**"*

Q2. Do you suggest any other criteria/change in license/ area of authorization for PMRT service? Elaborate your suggestions with supporting facts.

Q3. Do you suggest any change in the duration of license from the present duration of 20 years? Please provide supporting justification.



a) We do not think that there is any reason /justification to prescribe a different license duration for PMRTS services and believe that the existing duration of 20 years applicable to all authorizations under UL may be continued with.

b) We believe that the entry fee of Rs. 5 lakhs is most reasonable and will not act as a deterrent.

Q4. Keeping in view the existing PMRT services market size and growth potential, which methodology of allocation of spectrum will be most suitable for PMRT services? (a) Auction (or) (b) Administrative allocation. Kindly provide supporting arguments for your choice.

a) The steady growth of the service and the demands being placed by existing operators has been highlighted in the consultation paper – which is testimony to the growth potential of the service. The paper also highlight [para 2.2] that “commercial Mobile Trunking Radio Service Providers has been asking for more spectrum to cater to their growing subscriber base.”

b) In view of the above also, and in any event, we believe that all access spectrum must be allocated only through auctions.

c) The auction methodology, reserve price, rollout obligations, etc may be defined keeping in mind the nature of the service.

Q5. Do you propose any other methodology other than the options provided in Q4. above for allocation of spectrum for PMRTS? Please provide detailed justifications.

a) n.a.

Q6. If you have opted for auction as the methodology for allocation of spectrum for PMTRS, (a) What criteria/norms should be there for auction of spectrum so that efficient utilization of the spectrum is ensured? Should there be preference for Digital PMRTS networks? (b) Should the spectrum auction be held on LSA basis or city basis? (c) What should be the effective date of allocation of spectrum (if won through the process of auction)? (d) What should be the rollout obligations for PMRT service providers? What should be the penalty to be imposed in case of non-compliance of roll out obligation? Please provide detailed justifications?

a) As mentioned above, the auction methodology, reserve price, rollout obligations, etc may be defined keeping in mind the nature of the service.

b) The auction of spectrum must be on a LSA basis to prevent any misuse of spectrum.

c) The date on which spectrum is actually assigned should be the effective date

d) The rollout obligations may be prescribed keeping in mind the nature of the service and the requirement for the same

Q7. If you feel administrative allocation is the best methodology, then (a) Are the existing criteria of assignment of RF carriers sufficient or should there be different criteria/norms for assignment of spectrum? If existing criteria is not sufficient, what are the proposed criteria for such assignments so that efficient utilization of the spectrum is ensured? (b) Should administrative price of spectrum



be calculated LSA wise? If yes, what should be the basis and formula for determination of administrative price? Suggest alternate calculations, if any.

- a) We believe that access spectrum should be allocated only through auctions.

Q8. Out of the bands discussed in Table 3.2 above, which are the preferable bands for the PMRT services in India? List out in the order of priority. Are the bands suggested by DoT as mentioned in the Table 3.3 will be adequate to cater for the spectrum requirements of PMRTS?

- a) We believe that it is desirable that the spectrum bands identified for IMT should not be used for PMRTS. However in the event that such bands are proposed to be used, then the methodology of allocation and charging must be the same for all.

Q9. Taking into consideration the existing allocation by DoT and Authority's latest recommendation for delicensing spectrum for M2M, would it be feasible to consider the band 819-824 MHz/ 864- 869 MHz for allocation to PMRTS licensees?

- b) The band 824 MHz/ 864- 869 MHz is an identified IMT band; in the event that this is to be considered for allocation for PMRTS services, the allocation and charging methodology has to be same that is applicable to the access service licensees.

Q10. Which other candidate band will be most suitable for PMRTS if the band 819-824 MHz/ 864-869 MHz (5 MHz) is not to be considered for allocation to PMRT services? Please support your answer with facts.

Q11. What should be the minimum block size of spectrum to be put for auction? How contiguity of spectrum can be ensured.

- a) We understand that the block size presently used for PMRTS is 25 KHz blocks for both analog & digital systems. We suggest that the same may be continued with.

Q12. In case spectrum is to be auctioned, which methodology / approach(s) should be adopted for valuation and associated reserve price of Spectrum for PMRTS and why? Please justify your answer.

- a) The reserve price should be set at a modest level to ensure full market play and fair market discovery.

Q13. In case spectrum is to be auctioned, which methodology/ approach(s) should be adopted for calculation of spectrum usage charge? Please justify your answer.

- a) We believe that once the spectrum is auctioned, the SUC should be a nominal fixed fee to cover the charges for administration and allocation.

- b) However, this approach must be applicable to all access/auctioned spectrum.

- c) In the event that a revenue share approach is being continued with, then the extant SUC rate may also be extended to PMRTS spectrum also.

Q14. Whether the concept of spectrum cap shall be applicable on assignment of spectrum to the licensees for PMRTS? Justify your answer.

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Q15. In case you are of the view that provision of spectrum cap should be there, what should be the mechanism for applicable spectrum cap? (a) Whether any one of the spectrum cap i.e. intra-band or overall shall suffice the requirement as of now or (b) both caps should be made applicable simultaneously? (c) What should be the appropriate criteria for spectrum cap?

Q16. What should be the duration/validity of assignment of spectrum to PMRT service provider? Should it be with the same duration as that of the license (20 Years)? Please support your answer with facts.

a) Spectrum cap rules must be the same for all.

Q17. If the duration of validity of spectrum is to be made lesser than the validity of license, should there be an option with the licensee to renew? What should be the specific conditions for such renewal?

a) As submitted all access spectrum should be acquired /re-acquired through auctions.

**New Delhi
22 March 2018**