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**Shri Sudhir Gupta,
Pr. Advisor (MS),
Telecom Regulatory Authority of India**

Dear Sir,

Re.: Comments on consultation paper on draft guidelines for Unified License and Migration of existing licenses dated February 10, 2012.

It is commendable to note that TRAI has been working towards streamlining the telecom sector and is planning to take important steps by suggesting the long pending introduction of Unified License Regime and the delinking of spectrum and license. However, as an Internet Service Provider, there are certain issues which would have an impact on operators like us and we would therefore like to place them for your consideration and review.

1. As the licenses are proposed to be delinked from spectrum, the possibility of spectrum hoarding through multiple licenses is extinguished and therefore cross holding restrictions are no longer relevant. We feel that the cross holding restrictions for licensees should be done away with completely.
2. Also, as the competition related issues are already being addressed by way of caps on revenue share and market share, cross holding restrictions for two telecom companies would not be required and would not achieve any additional purpose.
3. However, due to any reason, if the cross holding restrictions cannot be done away with, licensees like ISPs who do not have cross holding restrictions as of today should continue to enjoy the same status even after they migrate to Unified License regime from Unified (Restricted), after the expiry of the current term of license, provided they continue to operate in the business of the existing license. Though Clause 29 of Chapter I of the draft Guidelines protects ISPs (Unified-Restricted) from the operation of cross holding restrictions at the time of next bidding for spectrum, as long as they do not

opt for a Unified License, it does not guarantee them protection thereafter, even if, they continue to confine their operations to ISP services.

In fact, the entrepreneurs who have obtained the licenses with no cross holding restrictions have long term investments, Indian and foreign, and long term business plans based on the cross holding restrictions not applying to them. Any change now will upset their business strategy and force many to look for other options including exit. We feel that in the interests of future policies of making the entire country broadband enabled, it would be preferable to keep the ISP licensees out of Cross Holding restrictions permanently.

We, therefore, would suggest the following:

- (a) The cross holding restrictions should be removed completely;
- (b) The existing licensees who do not have any cross holding restrictions at present (in terms of their existing licenses) should be allowed to continue to enjoy the same status even after their migration to Unified Licensing regime provided they confine their business to only those licenses which do not have Cross Holding Restrictions as of today.

We hope TRAI will certainly find substance in our submissions and build the underlying idea in their final recommendations to the Government.

Thanking you,

Yours faithfully,

Prakash Bajpai
Managing Director & CEO