

06th October 2014

To
Mr. Sanjeev Banzal
Advisor (Network, Spectrum and Licensing)
T R A I

Subject: Response to the following reference of TRAI

Reference: TRAI pre-consultation paper on 'Delinking of license for networks from delivery of services by way of virtual network operators', dated 3rd September 2014

LYCAMOBILE is world's largest multi country MVNO

We LYCAMOBILE are operating our MVNO service in 18 countries, and have roadmap to expand to another 20+ countries in the next 5 years. INDIA sub-continent is a strategic market place for us to meet our vision of global one network for our consumers. We like to place our feedbacks and need as a MVNO representation to start our business in INDIA to serve the INDIAN consumers. Based on our experience in this MVNO business and interactions with various regulatory, which made MVNO model a successful like to share the below views on the VNO and its license model in INDIA

Virtual Network Operators (VNO) – a New Outlook

Currently the MNO are unable to address the niche market segments, due to their size and geo spread they need to cover. Introduction of the VNO, is going to bring additional sales to those niche segments and consumer is going to be benefited by such niche customised offering and reachability. In India, a typical MNO in a service area average addresses around 10-20 segments, but introduction of VNOs will increase to address more than 200+ segments by lifestyle, geography, communities, workforce, and many more. This will also contribute to additional revenues to the government and better utilisation of spectrum across MNOs

VNO License proposal

1. VNO should be offered following type of licenses,
 - 1.1. (type 1) with its own core [globally known as Heavy/Full MVNO]
 - 1.2. (type 2) run with MNO's Core [globally known as SP/Thin/light MNVO]
2. If a VNO has its own core (type 1), then it needs to be provided with MNC, MSISDN, national point codes by the regulatory
3. If VNO runs using the MNO's core (type 2), then MNO will sub-allocate required IMSIs, MSISDN, local point codes from its own resources
4. Irrespective of the type of VNO license, MNP identifier should be given to the VNOs by the regulatory, to allow port in and out subscribers
5. Also the VNOs should not be restricted to any Service Area limitation, and it will depend upon its host MNO license.
6. There should not be any spectrum fee or any other revenue based license fee for VNO, since it should be paid by the Host MNO. The Host MNO, wholesale pricing for the VNO should include all such costs. To avoid issues similar to double taxation and to have a proper level playing field, all such levies to be paid by Host MNO only.

7. The wholesale pricing by the MNO will include, its own overheads in addition to the radio network access fee.
8. This VNO license excludes NLD and ILD, which requires to follow the respective license procedures and obligations
9. The period for the VNO license should be minimum 20years, and this should not be limited by its Host MNO.
10. A VNO should be allowed to have commercial contracts with as many MNO required to runs its business. The exclusivity with a MNO, should be based on the commercial model between MNO and VNO, rather than any policy or license.
11. The license should allow to launch service at national level and not limit to a particular service area
12. License fee for Type 2 should be considerably lower, to promote small VNOs to support niche segments and rural market.
13. To note, VNO launching in Type 2 model, technically will be coupled with one MNO, where Type 1 will be free to interconnect with multiple MNO.
14. Very important introduction is VNA, Virtual Network Aggregator, who will be able to incubate and support small and medium VNOs. Typically a VNA is a Type 1 VNO, who will be able to resell its airtime with its platform and services and be more flexible than the MNO to enable the small and medium VNOs. The VNAs also can pay the similar fee defined for type 1 VNOs
15. Any dispute resolution between VNO and MNO, should be similar to the one applicable to the MNO.
16. QoS, Security, standards and reporting also should follow similar to the MNOs for VNOs as applicable.
17. In addition, the VNO should be reimbursed by governments growth funds (similar to Eu and US Universal Service Funds) to offer service to specific segments like BPL or geography like rural which has government interest towards growth

We will be happy to participate and represent on VNO/MVNO views for the INDIAN Mobile market, please let us know and keep us notified on further updates.

Thank you,

Best Regards,

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