

ALL DID FRANCHISEES' ASSOCIATION

(Regn. No. MAH/742/2019/PUNE)

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DRAFT –VNO , All DID Franchisee Association Response on the Supplementary Consultation Paper on Roadmap to Promote Broadband Connectivity and Enhanced Broadband Speed

Q1: 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?

VNO All DID Franchisee Asso. Response-

To approach for incentivizing the proliferation of fixed-line broadband networks not possible to describe in one or two note. There are so many factor /challenges we faced to expand fix wire topology.

1. ROW: Due to high fees structure by local Municipal corporation body its not possible to lay underground fibre for MSME and SME service provider. In addition every Local Municipal Corporation not only charge onetime huge cost but also raise demand note under rental head @ 10% of recurring charge for every year.
2. High CAPEX and recurring maintenance cost of fixed-line infrastructure.
3. Apart from local govt. bodies we have to face local Housing Societies who asked for rental for taking wires in and out of the Society premises and fixation of distribution point. Now a day's almost all society owner enter into agreement with singular service provider and give exclusive right to provide service in their society member, in this case another service provider are not allow to provide the service and such practice lead monopolize era.
4. Therefore we urge TRAI to address this issue through consultation on overhead wires also which is to be laid on electric company pole with minimum recurring token fees. Due to no such type of regulation framed by DOT / TRAI .

Sir ,

To provide fix wire service we have to carry fix wire by underground trenching and overhead areal router. We need certain regulation which help us to grow our fix wire infrastructure.

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There are multiple type of hurdles/challenges to roll out fix wire infrastructure in addition we have to allocate our major cash flow to maintenance cost account. Hence we recommend indirect incentives by waiver of LF on AGR particular on FIX WIRE segment.

Q2. 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 be on complete revenue earned from services delivered through fixed-line networks?

VNO All DID Franchisee Asso. Response -

We recommend indirect incentives in the form of exemption of license fee should be **categorized on turnover base exemption** and it should be extended to Landline Voice along with data as now a days voice on the fixed line is compulsion and generally TELCO are providing absolutely free on bundle package Voice N Data of internet service.

Sr.	Category	Slab
01	MSME (Up to 5 CR AGR)	0 % license fee
02	SME (5 Cr to 50 CR AGR)	2 % license fee
03	Above 50 Cr AGR	6 % License fee

Such turnover base breakup to categorize LF segment on turnover base will boost MSME segment and our government is encouraging start up and MSME growth.

Q3. 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?

VNO All DID Franchisee Asso. Response -

Delivery of Broadband: Almost all Class A to C ISP and VNO who are not authorized for wireless mobile internet service are providing delivery through fixed wire/fibre/FTTH to premises.

In case of Broadband service provider's delivers broadband connection through WIFI Point to Point or Point to Multipoint link (AP) free band 5.8 Frequency and ultimately provided at fixed location. In this case internet service is to be considered as non mobility as delivery of internet service served at one fix location only.

Your Q3 is relates to NSO licensee only where DOT and TRAI collect detail bifurcation of broadband type connection every three month.

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Q4. What should be the time period for license fee exemption? Whether this exemption may be gradually reduced or tapered off with each passing year?

VNO All DID Franchisee Asso. Response -

Fixed line service provider not beneficial by allocation free spectrum and till this time not using any government resources free or subsidies by any mode to operate Fixed wire internet service. Therefore these service providers must be given blanket and continual license fee exemption but on the turnover based.

Q 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?

VNO All DID Franchisee Asso. Response -

Your Q5 is also relates to NSO licensee only.

DOT and TRAI collect detail bifurcation of broadband type connection every three month. Further DOT TERM cell, CCA and TRAI, and Vigilance unit is very much capable to restrict such misappropriation of revenue which is generate through wireless internet service.

Q 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.

VNO All DID Franchisee Asso. Response -

We suggest to waive LF to those service whose turn over not crossing Rs. 5 Core. If so then 95 % licensee will be out from LF regime.

CCA unit and TERM cell is very much competent to prevent any misappropriation of accounting revenue allocation. It can be prevented by impose of heavy penalties in case of mixed up with revenues earned from fixed-line broadband services in order to claim higher amount of incentive/exemption.

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Q 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?

VNO All DID Franchisee Asso. Response -

On first stage Government should focus on survival of Fixed wire service provider. If we survive than we can pass any incentive to end user. Our survival is totally depend on waiver of LF regime. Therefore we urge TRAI to give waiver and/or exemption to certain bracket of fied wire service providers based on his turn over with voice and data.

Q8. 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.

VNO All DID Franchisee Asso. Response -

We suggest that to meet the challenges in getting access to public place need separate consultation paper to be issued by TRAI. As described, there are multiple challenges and hurdle to be reviewed by competent authority.

Present DOT guideline needs several modifications in existing telegraph law.

Q8. is not relates with LF regime. First of all give breathing by removal of LF regime at MSME segment then we may survive to run our establishment.

Q9. 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.

VNO All DID Franchisee Asso. Response -

No Comment as its not relates with small operator i.e. MSME

Q10. 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?

VNO All DID Franchisee Asso. Response -

No Comment as its not relates with small operator i.e. MSME

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Q11. 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.

VNO All DID Franchisee Asso. Response -

Please note that net profit earnings of every VNO holder are not between 5% to 7 % due to high established and maintainance recurring cost of fix wire infrastructure. We are not affording to pay LF on AGR as its exhausted our total profit margin. Due to these several VNO operator had surrendered their VNO license.

Q12. 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 fixed-line 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?**

We strongly suggest that levy of LF up to Rs.5.00 Cr. AGR to be waived off permanently in case of fixed wire service segment.

Q13. Any other related issue.

VNO All DID Franchisee Asso. Response -

Levy of License fee should be paused until new recommendation to be issued by TRAI for those licensee whose annual turnover not more than 5 Core.

We are micro level operators for telecommunication services for the last twenty years.

In the year 2016, Department of Telecommunication had created such situation resulted we were forced to migrate to UL (VNO) Cat-B from our Franchisee license Regime (PHB 4/5/1994) of DOT. This category was first privatization policy of DOT which introduced in the year 1994 which aimed and created for very small operators like us servicing district wise within limited geographical area of district i.e. colony, street etc.

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Unfortunately, in 2018 the policy drafted for UL (VNO) Cat-B was at par with the large telecom service operators and we have been directed to pay Rs.1,65,000/- as entry fee with Bank Guarantee of Rs.1,00,000/- and License Fee @ 8% against our Adjusted Gross Revenue.

Sir, we are Micro-Mini level operators with turnover ranging from twenty Lacs to Five Crores per annum with average net income of less than Rs.20,000 to 60000/- per month. If compliance of the LF on AGR policy is to be continued, we would be left with negative income and would be forced to shut our operations. This will amount to literal murder of MSMEs and their 4000+ employee as more than 150 entrepreneurs are under new VNO category and catering nearly two lac subscribers in the country.

We implore you to save us from this draconian action of LF regime of Department of Telecommunication and let us survive in the small way that we are existing for the past twenty five years. In the year 2018 TRAI had recommended to relax levy License fee on AGR to be exempted for minimum five year which is ignored by DOT resulted 80 % fix wire PHB operator had shut down their fix wire service establishment.

We strongly believe that TRAI should come out with fair recommendation which shall give new breathing to FIX wire MSME segment which is on dire stage due to LF regime.

Thanking you in anticipation.

For All DID DID Franchisees` Association

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