



To,

Advisor (NSL)
Telecom Regulatory Authority of India,
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New Delhi-110002.

No. Regln/1-2/2012/

30/19

Dated: 6-04-2017

[Kind Atten: Shri Sanjeev Banzal, Advisor (NSL)]

Subject:- Ease of doing Telecom Business in India

Kindly refer to TRAI notification dated 14-03-2017 on the subject mentioned above, vide which TRAI has sought inputs of stakeholders on "Ease of Doing Telecom Business in India". In this context, BSNL's comments are as follows.

➤ **Related to Unified License**

- There are various processes that a telecom licensee is required to go through, should be simplified and combined to extent possible to economize on efforts on part of the Telecom service Providers (TSPs) as well as the Government. It has been observed that following obstacles/ Hindrances that are making it difficult to comply roll-out obligations:
 - i. Delay in obtaining NOC from local/ state authorities for erection of tower / laying OF cable.
 - ii. Delay in obtaining EB connectivity for the sites from State Electrical Board.
 - iii. Levying Tax/ registration charges for erecting BSNL GSM towers by municipal bodies/ state Government.
 - iv. Delay in getting NOC from Pollution Board/ Forest Department.
- With effect from 2016-17, new accounting standard IndAS has been mandated for companies in phase-I. The payment of license fee is governed by Adjusted Gross Revenue (AGR). Accordingly the basics of calculation of AGR should be redefined as per IndAS. It is suggested that license fee should be taken only on revenue stream generated through telecom operations.
- The demarcation of license area should be redefined as the time of renewal of licenses and be made co-terminus with the state boundaries. This should also be examined w.r.t GST law.

➤ **Spectrum Allotment and use**

- Spectrum sharing helps in optional use of spectrum and also augmentation of the speed in case of data services when spectrum is pooled. The existing caps on sharing need to be reviewed from time to time keeping in view market conditions.

Provision of telecom service using Satellite media

A. Microwave Network:

- Spectrum charges for Point to Point microwave links (NLD) needs to be revised downwards especially for difficult and hilly terrain.
- Spectrum charges for Point to Point microwave links (NLD) may be waived off for difficult and hilly terrain alternately it may be charged on AGR basis.
- 6 GHz band (6425 to 7125 MHz) needs to be allocated for GSM backbone network. Presently it is only for NLD use.
- Provisional allocation of microwave spectrum is to be done for one year, without any charge. As one year time is required for procurement of equipment and its deployment.
- WPC vide letter no. No.: L -14004/01/2012- NTG Date: 02.11.2016, has dispensed with the requirement of obtaining Wireless Operating License (WOL) by the Access Service Providers under UASL, CMTS License and Unified License for Access Service authorization. Similar dispensation must be extended to NLD Operator and VSAT Operators.
- Procedure for SACFA clearance to be simplified.
- Telecom operators should be exempted for taking import license for Radio/satellite equipment.

B. Satellite Network:

- Spectrum usage for VSAT networks needs to be reduced to 1% as recommended by TRAI. Presently the Satellite Operators are paying very high taxes – SUC to WPC- 4%, LF- 8% and ST-15% (Total- 27%). The satellite bandwidth is very costly. Due these factors, the business is not becoming viable. Therefore, SUC be made flat @ 1 %.
- Satellite transponder charges are exorbitant, need for reduction.
- Telecom operators be permitted to hire satellite transponder bandwidth from private satellite operators (open sky policy)
- Procedure for approval of satellite networks needs to be simplified. At present initially case is analyzed by APEX Committee of DoT. Then, DoT licensing cell issues license for service. Thereafter NOCC clearance is required and again operating license is to be obtained for VSAT service from WPC. Issuance of operating license by WPC is redundant. Monitoring by NOCC will be sufficient once DoT issues license. This will encourage and fulfil the objective of Govt. i.e. ease of doing business in India will be encouraged rather than license raj i.e. involving multiple departments for the same purpose can be minimized.
- Requirement of operating license from WPC may be done away with for VSATs.

C. SACFA Procedure:

- The existing SACFA procedure is quite cumbersome and separate permissions are required for each VSAT. Whereas VSAT antennas are installed either on the ground or on the roof of an existing building. Mostly 1.2 meter dia. antenna with 1 W Block

Up Converter is used for establishing VSAT connectivity in Ku-band. The maximum height of a 1.2 meter a VSAT antenna is about 3 meters from ground.

- As per SACFA siting procedure available in the web site of WPC, the sitting cases of VSATs having antenna diameter of 1.8 / 2.4 meters and total height of antenna up to 30 meters are processed under "Mast Height Category". However, there is no procedure defined for VSAT antenna of less than 1.8 meter. These procedure were defined long back, when there were only few VSATs available in the network. In present scenario, the requirement of VSATs is growing at a very high rate, therefore, these procedures are in consistent and are becoming bottlenecks in timely roll out of VSAT services in rural and remote areas
- National Telecom Policy 2012, has also envisaged a need to review the existing SACFA clearance process for faster and simplified site clearance. TRAI, vide para 4.51 of its Recommendations dated 12.04.2011 on Telecom Infrastructure Policy has also recommended that DoT should review the existing procedure for various approvals regarding VSAT and prescribe strict timelines so as to reduce delay. Further, TRAI has also recommended to simplify the procedure with emphasis of automatic clearance in case of noncritical approvals. Broadband Policy 2004 of DoT has also envisaged need for streamlining the clearance process for WPC and SACFA In view of above, there is a dire need to simplify the SACFA procedure for clearance of VSAT antennas. Our suggestions in this regard are given below:
 - i) In the case of VSAT terminals having antennas size of less than 1.8 meter, no SACFA / WPC clearance may be insisted, wherever the total height of such installation is less than 5 meters above the rooftop of an authorized building. The operators may be asked to upload details of such VSATs in the web site of WPC.
 - ii) The VSAT operators may be allowed to start the installation process for VSAT terminals immediately after submitting all relevant documents to WPC for SACFA / WPC clearance wherever the total height of such installation is less than 5 meters above the rooftop of an authorized building.
 - iii) The need of submitting location map along with hard copy of SACFA application may be done away with.
- NOCC monitoring charges for satellite needs to be reduced. Presently is Rs. 20,00,000 per transponder (36 MHz)
- Provisional allocation of satellite transponders capacity needs to be done and charging to be started after start of services.
- Procedure for SACFA clearance to be simplified.
- Telecom operators should be exempted for taking import license for Radio/satellite equipment.

D. Computation of Adjusted Revenue (AGR):

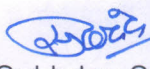
- As per the present practice, SUC and License fee are payable on AGR basis which includes satellite BW, backhaul link, , Internet bandwidth charges and VSAT equipment cost including any other equipment provided as part of VSAT network i.e. PCs, Routers, LAN equipment, software etc. It includes even the revenue earned from scrapped equipment.
- The transponder charges received from customers (VSAT users) is a Revenue of pass through nature actually passed on to satellite operator like ISRO. In fact these

charges are paid to ISRO in advance. Therefore, these charges need to be deducted from gross revenue as being done for revenue passed to other service providers. Similar is the case for equipment cost.

- Therefore, entire income for trading of VSAT and other equipment sold and, transponder charges billed to end users etc. need not to be taken as revenue for calculating AGR of VSAT network. Maximum 10 % cost of these may be taken as revenue, as Operators are earning only some profit against these services which is limited to 10 % remaining amount of Revenue is of pass through nature.

E. OFC Network:

- Right-of-way policy needs to simplify. Only one time restoration charges be levied.
- There should be a mechanism in place, so that new operator laying OFC does not cut the cable of existing operators.
- Utility ducts or dedicated corridor need to be provided along all highway for laying optical fiber cable by Telecom operator.
- Once ROW is granted, the requirement of taking further permission for carrying out maintenance / restoration of cable is not to be insisted, as these activities are to be done of war footing.
- Electric transmission companies, be asked to share OPGW cable to telecom operators. Against new projects, provision for adequate fibers for TSPs need to be kept.


6/14/17
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