



To,

Advisor (NSL),  
Telecom Regulatory Authority of India,  
MTNL Telephone Exchange Building,  
Jawahar Lal Nehru Marg, (Minto Road),  
New Delhi-110002.

No. Regln/1-2/2012/9721

Dated: 27-01-2020

[Kind Atten: Shri Syed Tausif Abbas, Advisor (NSL)]

**Sub:** Final BSNL comments on TRAI's Pre-Consultation Paper on Enabling Unbundling of Different Layers through Differential Licensing

Kindly refer to the TRAI press release no 123/2019 dated 09-12-2019 and the Pre-Consultation Paper on "Enabling Unbundling of Different Layers through Differential Licensing". In continuation to the draft comments submitted vide letter No.Regln/1-2/2012/9707 dated 27-01-2020, question-wise final BSNL comments are as below:

**Q1.** In your view, what could be the possible benefits and anticipated problems in having an unbundled licensing regime? Kindly suggest the measures that can be taken to overcome the anticipated problems (if any).

**BSNL Reply:** BSNL understands that enabling unbundling of different layers as noted in Para 16 of the paper may propel participation and investment in the sector. It may catalyse Investments and Innovation and promote Ease of Doing Business. Many businesses who did not want a full-fledged telecom license can opt for different layers as per their expertise. This may also help existing telecom operators who will be inclined to use/ share the aforesaid layers from different companies without directly investing on the same. Effectively, it is poised to give manifold options to existing TSPs as well new businesses. However, even as all these possibilities may be foreseen; BSNL is against any changes with the present licensing regime.

Over the years technology has seen great advancements. Such fast changes in technology require huge investments to keep up with the pace. No one would like to be left behind. By enabling unbundling of different layers i.e. Infrastructure, Network, Service and Application, and also allowing sharing of Infrastructure and network in existing licenses; a whole lot of opportunity is expected to be created to enable existing TSPs as well as businesses to bring in new technology and innovative services to the doorstep of every customers in a most cost effective manner.

**Q2.** In case it is decided to unbundle the different layers of licensing,

(a) what should be the different layers and their scope? What changes would be required in licensing regime to enable such a framework?

**BSNL Reply:** It has been stated in Para 16 of the paper that DoT has referred to enabling unbundling of different layers such as:

1. Infrastructure
2. Network
3. Service
4. Application

BSNL supports it. BSNL expects that similar to VNO licensing which is distantly related to service layer and which was included in UL at a later stage, we may similarly include other layers in the existing licensing regime to enable such framework to co-exist with existing licensing regime.

(b) Should there be a new regime of licensing on which the existing licensees should migrate within a specified time frame or there should be a parallel incentivized licensing regime for unbundled layers of license?

**BSNL Reply:** As stated above this differential licensing should form a part and be included in the existing UL licensing regime as separate authorization similar to access, NLDS, ILDS, etc authorizations. It should be left to the discretion of the applicant/ TSP to apply for the authorization as per the requirement. BSNL shall request to consider new licenses only for new businesses and for the existing TSPs, only if they require so. It should not be made mandatory – there should be flexibility with TSPs as per their requirement.

Further, while the existing license has effectively covered layers such as Infrastructure, Network and Service, Application providers have been left untouched from the licensing – so far. This has created disparity between the telecom application providers and telecom service providers. Apparently, application businesses have flourished over telecom network without making payment of any license fee and/ or spectrum usage charges. BSNL strongly advocates including and bringing Application providers under the telecom license to create level playing field between the application providers and telecom service providers.

**Q3.** In case you are of the opinion that there is no need of unbundling of different layers of the license, what changes should be made in the existing licensing regime to (i) promote sharing to increase utilization of the existing resources, and (ii) catalyse investments and innovation in Digital Communications sector?

**BSNL Reply:** BSNL requests to allow full sharing of Infrastructure – both active and passive, under the present IP-1 license. All major TSPs have invested huge in establishment of infrastructure and full sharing will allow increased utilization of existing resource and also increase in revenue.

**Q4.** What other reforms / changes are required in the existing licensing regime?

**BSNL Reply:**

- i) As stated above, BSNL understands, that, instead of moving from one regime to another regime, we may only have a Telecom License having individual components and categories wherein the individual has choice of seeking license as per the requirement. However, it is requested to ensure and safeguard the interest of incumbent operators such as BSNL/ MTNL whose strategic importance has been emphasized by the Government of India.
- ii) IP-I category should also be brought under licensing regime and similar license fee shall be applicable to all four layers as mentioned above.
- iii) The payment made by one layer to another layer shall be allowed as pass through deduction to avoid double levy of license fee.

  
AGM (RegIn-II)