COAI counter comments on Consultation Paper on the Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023.

We thank the Authority for providing us with the opportunity to share the counter comments to this Consultation Paper on "Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023".

1. ***One of the stakeholders has stated "Multi-NSO parenting within the same LSA may kindly be permitted, which is currently not the case. Once multi-parenting is permitted, there should be no cap/ceiling as regards number of NSOs that a MVNO can be parented to."***

2. ***"Only option remains that switching of NSO options remain easy and open in case of any disputes are there. As per Global data and experience of MVNOs normally it provides the live redundancy available to MVNOs for quick migration of subscribers."***

COAI Counter Comments

a. We strongly oppose the multi-parenting of VNOs from more than one NSO. We submit that by allowing multi-parenting of VNOs by multiple NSOs will result in several challenges which are as follows:

   i. **Regulatory Control:** Allowing a UL(VNO) licensee to connect with multiple NSOs within an LSA for wireline access service could lead to regulatory challenges and complexities. It would require stringent oversight and monitoring to ensure compliance with regulations related to interconnection, quality of service, and fair competition.

   ii. **Infrastructure Optimization**: Limiting a UL(VNO) licensee to connect with only one NSO within an LSA promotes efficient infrastructure utilization. It encourages collaboration and investment in shared infrastructure, leading to better resource allocation and optimization of network resources within the area. Moreover, if VNOs are allowed to have multiple NSOs as parent, it would cause significant arbitrage in favour of VNOs v/s TSPs.

   iii. **Quality of Service:** Connecting with multiple NSOs within an LSA can introduce complexities in managing service quality. Different NSOs may have varying network capabilities, service standards, and operational procedures, leading to potential inconsistencies in service delivery and customer experience.

b. Moreover, based on the various recommendations issued by TRAI on VNO in 2008, 2011, 2015 and 2017, the Authority has highlighted the various complexities which can come about by allowing multi-parenting to VNOs.

c. Allowing multi-parenting in cases of wireless access services runs the risk of creating a super operator. This entity would be able to leverage the network resources of all existing operators without making its own significant investments. As a result, it could provide superior and more extensive coverage by utilizing the combined networks of all operators, surpassing the capabilities of any individual operator. This would be highly unfair to the existing operators who have invested

lakhs of crores over the last few decades to build their networks. The introduction of such a model could severely disrupt market competition and potentially have negative consequences for both the industry and consumers. The unfair advantage gained by this "super operator" could undermine the long-term investments and efforts of established operators, potentially leading to market imbalances and reduced incentives for further network improvements by individual operators.

d. Furthermore, we submit that allowing multi-parenting for VNOs can never result in creation of redundancy at the level of end subscriber.

e. Even if multi-parenting is allowed, the set of customers being served using the network resources of one NSO will be different from the set of customers being served using the network resources of another NSO. Multi-parenting would not allow a VNO to combine the network resources of different NSO. Thus, the connectivity provided by a VNO to any specific customer will come from the network of only one NSO.

f. In any case, TSPs/NSOs build adequate redundancy in their own individual networks, in order to ensure network resilience and reliability, in the interests of continuity of service to customers. Hence, **we strongly disagree with the suggestion that allowing multi-parenting would help in building last-mile redundancy.**

3. One of the stakeholders has stated "If leased circuits/ Virtual Private Networks are allowed to ISPs that may give more choice to enterprise customers."

COAI Counter Comments

a. We strongly disagree with the statement by the stakeholders. The present ISP Authorization in UL does not allow the licensee to offer VPN/ CUG services to its subscribers.

b. In the case of Access service authorization, as mentioned in the UL, the Licensee is authorized to provide leased circuit services within their designated service area. However, it is prohibited to interconnect these leased circuits, be it point-to-point connections and Closed User Group (CUG) with PSTN/PLMN/GMPCS/ Internet Telephony network.

c. It is pertinent to note that Access Service is nearer to an all-encompassing authorization wherein the licensee is permitted to provide public telephony, public internet as well as private leased circuit/VPN services within its scope whereas ISP is a specific authorization, which allows on only the provisioning of public internet services. Inclusion of a specific service within the scope of Access Service and permitting the same for a service specific authorization (read ISP authorization) may not be a just rationale as licensees under various authorization can come and pick out specific services which might result in anarchy.

d. It is also important to consider that the provision of leased circuits and VPN services currently constitutes a significant portion of NLD operators' revenue. This is particularly crucial given the decline in STD services. If NLD operators are now required to compete with numerous ISPs across the country for these services, it

could pose a serious threat to their financial viability. The increased competition may significantly impact NLD operators' ability to maintain sustainable operations.

e. If an ISP operator wishes to provide leased circuit/ VPNs, it can obtain the Access/NLD Service authorization after meeting the criteria of minimum equity/networth and paying the requisite entry fee.

f. Therefore, in light of the above, we strongly disagree with the aforementioned statement and **the scope of ISP authorization should not be enhanced.**

4. One of the stakeholders has stated with regard to PM-WANI that "Connectivity must be mandated for all Tier-1 ISPs/TSPs. There should be no denial of service/continuity of service or acceptability of the tariff structure once it is notified by the Authority.

COAI Counter Comments

a. We submit that public Wi-Fi has lost its relevance due to several factors which include the rapid expansion of 4G and 5G mobile networks with extremely low data rates which are offered by TSPs. This has made personal mobile data connections more accessible and reliable for most users.

b. Moreover, affordable smartphones and low-cost data services provide convenience and security, reducing reliance on public Wi-Fi, which often suffers from slow speeds and potential security risks. Additionally, the increasing availability of fiber-to-home broadband connections in urban areas has reduced the need for public Wi-Fi hotspots.

c. The form factor or primary means by which any internet access, including WiFi reaches rural areas is through mobile devices. These handsets are already being serviced by telecom operators. Consequently, there may be little need for public Wi-Fi infrastructure in these regions.

5. One of the entities has stated "Audiotex licenses should be migrated to Authorisation".

COAI Counter Comments

a. We submit that the Voice mail and Audiotex services are offered under Voice Mail/Audiotex/UMS license or under Basic/Cellular/UASL/UL(access). We submit that while Basic/Cellular/UASL/UL(access) is subject to License fee, entry fee and other stringent license conditions, however there are no such conditions on the Voice Mail/Audiotex/UMS licensee. Thus, a non-level playing field exists between the two types of licenses. Further, there is revenue loss to the exchequer as the Audiotex licensee is not paying any license fee for these services.

b. In light of above, we are of the view that there should not be any separate Authorisation for Voice mail License and Audiotex License and the same should be brought under Access Authorisation.

6. One of the stakeholders has stated ": OTT services like streaming platforms and communication apps are not always covered under traditional telecom

regulations. Specific authorizations can address issues related to data usage, net neutrality, and service quality".

COAI Counter Comments

a. As per our understanding, OTT Communication services are covered under the new Telecom Act as an access service. The definition of "Message" and "Telecommunication Service" under the newly enacted Telecommunication Act, 2023 includes all form of telecommunication services including the communication services provided over the top using the platform/ servers/ switches hosted in the public internet. In order to ensure same rules for same or similar services, it is important to bring such Over the Top (OTT) communication service providers under Access Services authorization.

b. We reiterate that OTT Communication services are direct substitutes of the traditional telecom services. These OTT Communication Services should be brought under the ambit of Access Service Authorization.

c. Despite the difference in the underlying modes of delivery of OTT Communication Services, the core utility of the service between traditional messaging and OTT Communication Services remains the same i.e. exchange of inter-personal communication with another user in real-time. This makes OTT Communication Services a direct substitute to Traditional Messaging services.

d. Since these OTT Communications Services are not covered under the extant telecom licensing and regulatory framework as opposed to the heavily regulated traditional licensed TSPs, it has created a non-level playing field in the industry.

e. Hence, these services should be subjected to the same set of rules irrespective of whether provided by an operator on its own network or through the internet which aligns with the principle of 'Same Service – Same Rules' and would promote a level playing field within the industry.

f. Therefore, in light of the above, we re-iterate that **the players providing OTT Communication Services be brought under the scope of licensing framework and these services should be included in the scope of Access Services Authorization.**

7. One of the stakeholders has suggested that the entry fee should be suitably reduced.

COAI Counter Comments

a. We submit that the current entry fee has already been reduced through amendments in the License by DoT. It is pertinent to note that the Entry fee has been significantly reduced from ₹1658.57 crore in 2003 to ₹15 crore in 2013 for a Pan-India access License.

b. The entry of new players into the telecom sector is primarily driven by market dynamics and business viability rather than the imposition of entry fees. Factors such as potential market share, competition, infrastructure costs, and projected revenue streams play a more significant role in determining market entry, rather than the entry fee.

c. The TSPs have already paid huge amount of non-refundable Entry Fee at the time of acquiring the license. Any reduction of the same for new entrants would undermine the policy of level playing field amongst the incumbent licensed service providers and new licensees.

8. Some stakeholders have stated that "The Government should explore possibilities to allocate spectrum for other service providers besides retail access service providers, in suitable non IMT bands, for services such as CNPN and M2M & IoT."

"The Spectrum framework should not be for any specific authorisation exclusively; all licensed Service Providers irrespective of service authorisations incl. ISPs should be allowed access to resources such as spectrum for meeting the connectivity requirements efficiently. The spectrum allocation mechanism and associated terms should be different for B2B market, considering the size of demand and supply, present auction framework is designed for retail usage."

COAI Counter Comments

a. We oppose the suggestion of allocation of any spectrum to ISPs, M2M and CNPN.

b. It can be appreciated that it is very important to have clarity on the scope and conditions for allocation of spectrum for telecom operators to meaningfully participate in auctions.

c. Taking away chunks of already scarce spectrum and dedicating it to other verticals or service providers such as ISPs, M2M and CNPN will run a serious risk of fragmenting the available spectrums (reducing spectrum's carrying capacity) and threaten the wider success of 5G and Digital India as well as can pose threat to the national security.

d. Any allocation of IMT band (or band likely to be identified for IMT) spectrum to ISPs, M2M SPs and CNPN will result in shortage of harmonized spectrum for TSP's network and loss to exchequer.

e. ISPs are deploying their network using unlicensed bands in 2.4/5GHz and are using fibers for their small areas of deployment. For ensuring ubiquitous coverage across complete city or state they need to be eligible to acquire Access License and acquire sufficient licensed spectrum bands.

f. **Moreover, under all circumstances, level playing field vis-à-vis licensed telecom operators must be ensured.**

g. If a service provider wishes to provide services using licensed spectrum, the existing regime allows it to obtain an Access Service Authorisation and acquire the requisite spectrum through auctions on payment of auction-determined prices. **Hence there is no rationale to support the carve out of spectrum for enterprise use cases etc.**

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