DIPA's Response to TRAI Consultation Paper on Ease of Doing Business in Telecom and Broadcasting Sector

PREAMBLE

At the outset, we would like to thank the TRAI to bring out this Consultation paper for discussion on Ease of Doing Business in Telecom and Broadcasting Sector and giving us an opportunity to provide inputs for the same. We appreciate the Authority for its constant efforts for growth of telecommunication infrastructure in the Country which carries utmost importance especially when the country is aiming to be one of the first countries deploying 5G.

India has aspired to be a leading nation in terms of Ease of Doing Business (EoDB), attracting foreign investments, and easing the regulatory framework in the country. A conducive business environment plays a crucial role in a country's economic development. That is the reason, Ease of Doing Business is the driving force in policy making of the central government and the state governments. This consultation paper by TRAI is in the pursuance of the same for Telecom and Broadcasting Sector. DIPA appreciates that Government Understands and think that Telecommunication and broadcasting sectors have emerged as key drivers of economic and social development and, hence, have made the country a favorite business destination amongst investors. These sectors have immense potential to move on the higher trajectory of growth if the business environment could be made more attractive by simplifying the existing provisions of policy frameworks.

Telecom, being a capital-intensive business, needs huge investment for growth and expansion and providing service based on new upcoming technologies. Therefore, continuous effort is the need of the hour which not only provides for the ease of starting telecom businesses but also in making these businesses to run effectively and as seamless as possible on ground in longer run. This requires continuous monitoring and improvement in the uniform policy framework across the country with minimum hinderances by local authorities.

Telecom service sector in India is facing a looming financial crisis. The steep fall in revenues and ballooning debt is hurting investments in telecommunication infrastructure, networks, and technologies. Latest set of reforms by government across AGR rationalization, free spectrum sharing, Annual compounding of interests, 100% FDI through automatic route and above all the moratorium of 4 years on dues to the government will improve cashflows, promote healthy competition, attract foreign direct investment, etc. But further steps are required to have uniform industry friendly policy framework for smoothly running the business which supports this critical industry which in turn is essential for almost every other sector as telecom connectivity is pivotal for several services and applications based on internet

connection. Amid the situation arises due to COVID 19 pandemic and lockdown/curfew, the telecom infrastructure and telecom services continues to play a vital role for citizens of India as the usage of essential telecom services have grown manifold as several organizations have adopted digital e-learning, e-services, OTT platforms, e-commerce and e-governance etc.

Our Question-wise response to TRAI Consultation Paper is as follows:

Q 1. Whether the present system of licenses/permissions/registrations or any other permissions granted by MIB/DoT/WPC/NOCC/TEC/ DOS/MeitY/MoP etc requires improvement in any respect from the point of view of Ease of Doing Business (EoDB)? If yes, what steps are required to be taken in terms of:

a) Simple, online and well-defined processes
b) Simple application format with a need to review of archaic fields, information, and online submission of documents if any
c) Precise and well-documented timelines along with the possibility of deemed approval
d) Well-defined and time-bound query system in place
e) Seamless integration and approvals across various ministries/ departments with the end-to-end online system
f) Procedure, timelines and online system of notice/appeal for rejection/cancellation of license/permission/registration

Give your suggestions with justification for each license/permission/ registration separately with detailed reasons along with examples of best practices if any.

And

Q2. What are the issues being faced in the existing processes of granting registration to IP-I providers? Identify and suggest measures to address the same?

DIPA's Response:

a) **The Registration of IP-1 companies by DoT should be online** which is currently offline. The form with any default should not be summarily rejected.
b) It is learned that this registration process is being developed on NSWS portal. But current process of business registration on the NSWS portal is little bit complicated as it caters to many businesses. It is requested that **online application format for registration process should be kept simple as it is at present**.
c) There should be correction mechanism in time bound manner. The **timeline for processing of application should be reduced to 15-21 days from current 35 days with deemed approval** if not rejected or objection raised for any correction.

The permissions granted by registration should also include following for improving the business propositions of IP-1s

a) IP-1s should also be allowed to **install and own active infrastructure equipment without any need to get license for the same**.

TRAI has already recommended to the Government for IP-1 scope enhancement and promoting deployment of common sharable, passive as well as active, infrastructure, vide its recommendations **dated 13th Mar 2020** regarding **"Enhancement of Scope of IP-1 Registration" and 2nd Feb-2018 on "Inputs for formulation of NTP-2018"**. NDCP-2018 gazette notified by the Government in Oct'2018 envisage enhancement of scope of IP-1.

b) IP-1 should be **allowed to share the infrastructure with any valid license/registration holder from any Ministry of the Government of India including DoT/MIB/MeitY** who are engaged in providing any kind of digital services to the end user, in a non-discriminatory manner

Q3. What measures should be taken to promote small and medium telecom infrastructure providers with ownership of the network created by them for maintaining the quality of services?

DIPA's Response:

- IP-1s should also be allowed to **install and own active infrastructure equipment without any need to get license for the same**.
- Presently, IP-Is are allowed to share the passive telecom infrastructure with Licensed TSPs only. Therefore, **for ensuring efficient market operations, there is an immense need for removing such restrictions and allowing sharing of infrastructure with other service providers** including Cable Operators, Broadcasters etc. In this regard, TRAI Recommendations of 13th March 2020 on Active & Passive Infra sharing must be permitted for IP1s without any change in the Licensing Framework.
- Infrastructure sharing **enables economies of scale, improves affordability**. In line with global trends and to expedite the pace of digital transformation in India, it is imperative that both active and passive infra need to be shared **for better spectral efficiency, reduced Capex & better QoS delivery**.
- **Financial institutions should construct profitable lending programs** while prioritizing the development of innovative solutions and are suggested to work on following
    - Easy credit funding with liberal business-friendly terms and conditions such as **lower rates of interest, longer repayment periods** etc. Collateral/cash securities requirements may be reviewed.
    - Banks should provide funding to Indian Telecom Start-ups and R&D Projects

- To enhance lending to Telecom Sector, as the BG exposure reduces, Banks may extend loans for equivalent amount

- As Telecom Infrastructure is **capital intensive industry**, it requires support from government with **uniform financial and tax policy framework** which instead of burdening with heavy charges and location wise variable taxes like property tax etc, **should incentivize the industry with no or minimum such burdens on companies**. Though applicable to all, it is more critical for small and medium telecom companies.
- Telecom towers should be included in the definition of 'plant and machinery' in section 17(5)." It will help to avail the **Input credit against the GST paid on telecom towers**.
- **Non-availability of electricity hinders operations of telecom services** and force for installation of DG sets and other source of energy **which increases the cost of telecom/ internet services**. **Telecom being the critical infrastructure needs to be provided EB connection on priority within 15 days**.

Q4. Please provide your response with proper justification to improve the present system of EMF radiation compliance in terms of:

1. Relevance of EMF radiation audit and its impact for quick roll out of the network
2. Measures to safeguard public interest and building confidence in public against propaganda of hazardous EMF radiations in field
3. Issues being faced in the existing processes related to the self-certification, audit and penalty scheme of EMF radiation compliance process on Tarang Sanchar portal.

DIPA's Response:

1. In order to address the issues around EMF and ensure that all BTS deployed in the country are compliant to EMF norms, following measures are in place by the DoT:
   a. DoT has prescribed norms for exposure limit to EMF, which are 10x more stringent than the safe limits prescribed by ICNIRP and recommended by WHO. As a result of this, mobile towers of any technology viz. 2G, 3G, 4G, 5G, emit non-ionizing Radio frequencies of very minuscule power and are incapable of causing any kind of damage to living cells including human beings.
   b. TSPs have been mandated to test every BTS and self-certify them for meeting the radiation norms. Further at any update/ upgrade of any site, self-certificate is required to be submitted to DoT.
   c. DoT has launched 'Tarang Sanchar' portal having complete collated technical details of BTSs spread across the country.
   d. Audits are also being conducted by TERM Cells (LSAs) for DoT on periodic basis and there are provisions of penalty for any non-compliance.

e. Further, any citizen having any apprehension about any mobile tower emitting radio waves beyond the safe limit, can also request for EMF measurements/testing to DoT.

2. Despite such robust mechanism in place by DoT, there is a public concern over possible health effects from Electromagnetic Field Radiation (EMR) exposure from mobile towers/ BTS and infrastructure providers (IPs) face lot of public/RWA resistance for installation of mobile towers and during its operations.
3. In view of the above, we suggest the following measures to safeguard public interest and building confidence in public against propaganda of hazardous EMF radiations in field:
    a. Regular Press Releases from DoT debunking myths around EMF and wider coverage through social media platforms and Departmental website.
    b. More awareness camps/programmes by DoT/LSAs at State and even up to district/local area level so that more and more people are made aware about the scientific facts on health effects of EMF emissions from mobile towers.
    c. Distribution of pamphlets/ information brochure on various topics related to EMF at various RWAs and Government Depts. At State/ District/ Local levels.
4. We are confident that with these additional measures implemented and executed on regular basis will help to safeguard public interest and building confidence in public against propaganda of hazardous EMF radiations in field.

This issue may be responded in detail by TSPs

Q5. What mechanism do you think should be followed in DoT to facilitate investors in exploring possibilities of business opportunities in the field of telecom? Provide your comments with justifications. Also, provide best international practices and adoption of new technologies for various processes and suggested process flow that could be adopted for further facilitating ease of doing business in India.

DIPA's Response:

The uniform and business-friendly policy certainty with ease to do business operations on ground are main attracting factors for the investors to make them invest in business in any area. We recommend the following measures which can be taken to facilitate investors in exploring possibilities of business opportunities in the field of telecom:

1. We recommend that DoT may push for the policy formulation which results in
    a. **Compliance** in letter and spirit with **Central RoW rules 2016** by state and local authorities should be **mandated and legally enforceable.**
    b. Excessive charges, that's too against authority of law, make the businesses unviable. Prevention of unlawful excessive charges for

providing permissions by local authorities will facilitate investors to set up and run businesses.

c. Policy formulation in respect of **protection of the telecom infrastructure from vandalism/sealing** either through amendments in Indian Telegraph Act or enforcing proper implementation of safe guard mechanism by state local police authorities.
d. There is urgent need of **rationalization of property tax** across the country. Wherever the infrastructure providers have to bear exorbitant taxes/ duties in the state, it **hampers the ability/ reduces their capacity to invest for upgradation** of telecom infrastructure in the state. For example, the rate of property tax varies from 40 per cent to 115 per cent in the state of Maharashtra amongst various municipal corporations / municipalities etc while The progressive States like Karnataka, Kerala and Tamil Nadu charge a fixed property tax in the range of Rs.7500 to Rs. 15000/- on the telecom towers.
e. All states should be directed to facilitate the functional **single window online portal for granting approvals** to telecom installations and RoW applications.
f. As recommended by NDCP, the government **should roll out a broadband readiness index** for states to attract investments and address RoW challenges
g. **Improvement in RFP roll out processes** including prompt payments which are critical for encouraging private investment in government rollouts.
h. The building codes should be amended to include fibre and facilities for 5G infrastructure along with water, electricity, and gas pipelines which will ensure faster roll out
i. Fibre and 5G infrastructure must be tagged as public utility and built as essential public infrastructure. A lot of M2M and critical services like autonomous vehicles, industry and home automation etc. shall function using 5G connectivity. Any theft or damage to this infrastructure may result not only in huge financial losses but can also be life threatening.

2. Infrastructure sharing should be allowed because it **enables economies of scale, improves affordability, and avoids duplication of networks**. It also allows faster roll out of networks and services. This is necessary to breed and grow confidence in investors about the profitability and viability of business.

3. **IP-1s should be allowed to install and own active infrastructure equipment without any need to get license for the same** and
IP-1 should be **allowed to share the infrastructure with any valid license/registration holder from any Ministry of the Government of India including DoT/MIB/MeitY/Railtel** who are engaged in providing any kind of digital services to the end user, in a non-discriminatory

manner. Some of Global Trends towards Active Sharing through a Neutral Host like IP-1

a. New Zealand: New Zealand's wholesale network operator, Chorus, is calling on the Government to begin formulating plans for a single 5G mobile network, which can be shared by all service providers, as it would not be sustainable for the country's three mobile operators to roll out separate 5G networks due to the amount of investment needed.
b. Denmark: In 2012, Telenor Denmark and Telia Denmark have signed a managed services contract with Nokia, which will manage their shared mobile networks run by a common infrastructure company TT-Netvaerket.
c. USA: The use of independent wholesale infrastructure providers for the provision of small-cell networks has increased over the last few years. Wireless provider Crown Castle (USA), for example, increased its small-cell revenues by over 40% between 2015 and 2016 as mobile operators densify their networks ahead of 5G roll-out.
d. Scotland: In September 2017, independent tower specialist Wireless Infrastructure Group, in collaboration with Telefónica, launched Europe's first small-cell network supporting cloud RAN (C-RAN) for faster and higher capacity mobile services in the city centre of Aberdeen.
e. Australia: The telcos in Australia have infrastructure sharing agreements with each other and with the main tower infrastructure providers. One of the main players within the active infrastructure sharing market is Broadcast Australia (BA). With a diverse portfolio of structures ranging from 30m to over 230m, it has the best regional and rural penetration among Australian tower companies. Servicing not just broadcasters, it provides infrastructure leasing and related services to the majority MNOs, NBN Co., as well as other telecommunications players.

Ministry of Power

Issue For Consultation:

Q. What are the issues being faced by various service providers in seeking stable and committed quality power supply connections from power DISCOMS? For state-wide operations whether it is feasible to get power supply in time bound manner for various locations from a single- window contact OR has to be made region-wise. What measures do you suggest to improve the same?

DIPA's Response:

- **Electricity connection should be given on priority** for telecom sites at the time of installation of new towers. Telecom services being critical and most of the other sectors being dependent on telecom, electricity connection to be given on priority, **within 15 days max**.

- **Demand notices** at the time of connections are generally on **higher** side siting various reasons such as need of **separate transformers, last mile connectivity etc**. Telecom being **critical and essential service discounted prices and minimum requirements and charges should be imposed while raising demand notice at the time of EB installation**.
- Telecom being an essential and critical service, the **EB connection should not be disconnected on minor and frivolous complaints** under misapprehensions or vested interest.
- Telecom being an essential and critical service, **the tariffs** for electricity should be on **discounted price**. The Cabinet Committee of Infrastructure (CCI) granted "Infrastructure" status to Telecom Towers vide its gazette notifications dated 27.03.2021 & 01.04.2013. Preferential (Industrial) Tariff needs to be granted to these critical life-line installations.
- Online bills, preferably on registered email ID, to avoid any delay/penalty should be provided.
- **Maintenance schedule by DISCOMS should be shared in advance**, to arrange for adequate alternate energy source which is required to maintain continuity of service and desired QoS.
- "Central Electricity Authority Installation and operation of meters Regulations 2006" was amended in Dec'2019 which provided that **existing meters to be replaced with smart meters** with prepayment feature within a time frame as specified by Central Government. Accordingly, the notification dt 19.08.2021 has been issued to provide for timelines for replacement of existing meters with prepaid meters. This should be implemented without any delay.
- There should be **no non-meter billing**.

It is very difficult to get power supply for various locations from a single window contact because of the presence of multiple DISCOMS in single state. They all need to integrate first and the common discounted tariffs can be provided for telecom which can provide big boost and EoDB for the sector.

PERIODIC COMPLIANCES AND AUDIT REQUIREMENTS

Ease of doing business is not limited to obtaining permission/license alone, it is also important that compliances/audits should also be reasonable and do not put an unnecessary burden on the business.

Issue for Consultation:

Q1. Whether the extant mechanism of reporting and filing at the SARAS portal and the offices of Controller of Communication Accounts (CCA) simple and user-friendly? If not, what measures are required to make it simple, transparent, and robust? Justify your comments.

Q2. Identify those redundant items which require deletions and at the same time the items that need to be included in the reporting and regulatory

compliance systems due to the technological advancements. Suggest such changes with due justifications.

DIPA's Response: TSPs to respond.

Any Other Issue

Q. Are there any other issues in the present system of licenses/ permissions/registrations granted by MIB/DoT/WPC/NOCC/TEC/ DOS/MeitY/MoP that can be identified as relevant from the perspective of ease of doing business in the telecom and broadcasting sector? If yes, provide a list of those processes and suggest ways for their improvement.

DIPA's Response:

- The IP-1s should be granted permission for the Infrastructure sharing because it **enables economies of scale, improves affordability, and avoids duplication of networks**. It also allows **faster rollout** of networks and services.
- IP-1s should be allowed to **install and own active infrastructure equipment without any need to get license** for the same and to **share telecom infrastructure with other service providers**.
- TRAI has already recommended to the Government for IP-1 scope enhancement and promoting deployment of common sharable, passive as well as active, infrastructure, vide its recommendations dated 13th Mar 2020 regarding **"Enhancement of Scope of IP-1 Registration" and 2nd Feb-2018 on "Inputs for formulation of NTP-2018"**. NDCP-2018 gazette notified by the Government in Oct'2018 envisage enhancement of scope of IP-1. In line with global trends and to expedite the pace of digital transformation in India, it is imperative that both active and passive infra need to be shared for better spectral efficiency, reduced Capex & better QoS delivery.

OTHER ISSUES RELEVANT FOR EoDB:

As IP-1s mainly face problems in Doing their business at ground and State /local authority level, we would like to take this opportunity to raise certain issues which IP-1s and telecom sector face because of non-implementation of Central RoW Rules and policies at the local level despite telecom being a Central Subject.

There is need of similar Centre-State joint online approach for EoDB in telecom sector.

Further, few measures required to improve the Ease of Doing Business for Telecom Infrastructure companies on the ground level are:

1. **ROW/telecom infrastructure Policy** which are being notified by respective state governments in alignment with RoW Rules 2016 are **not being implemented strictly**. There shall be clear direction to all concerned authorities for implementation of the same.

2. **RoW Rules 2016 shall be made legally enforceable** on state and local authorities.
3. After issuance of NOC, **no cancellation/withdrawal should be permitted due to EMF or public issues**. More awareness camps/seminars to be organised by DOT/TERM cell to minimise myth of radiation.
4. **District Level Committees** to sort out the hindrances in roll outs and bottlenecks should be formed
5. For various type of towers **Uniform telecom tower administrative charges & license fees** should be there for all states/UT's in urban/rural areas.
6. DG installed for telecom tower infrastructure should be in **white/green category** across country in uniform way.
7. **Validity of Permission from local bodies** should be **uniform & more than 20 years or till validity of registration.**
8. Telecom towers **on government premises** should be allowed for **more than 15 years**, as a minimum tenure before renewal.
9. Protection of the telecom infrastructure from vandalism/sealing either through amendments in Indian Telegraph Act or enforcing proper implementation of safeguard mechanism by state local police authorities
10. **Amendment in RoW Rules, 2016** are required for
    a. **Installation of IBS, Small Cells, CoW, Poles, Aerial Fiber, Street Furniture should be incorporated**
    b. **Legal enforceability of Rules on States/ Central agencies**