



महानगर टेलीफोन निगम लिमिटेड
(भारत सरकार का उपक्रम)



O/o Pr. General Manager (RA&C)
5th Floor, Mahanagar Doorsanchar Sadan
9, CGO Complex, Lodhi Road
New Delhi-11103

MTNL/CO/RA&C/ TRAI-CP/ Unbundling of Licenses/2020
Date 30.10.2020

To

Shri Syed Tausif Abbas,
Advisor (Networks, Spectrum and Licensing),
JLN Marg, TRAI,
New Delhi-110002.

Sub: Consultation Paper on Enabling Unbundling of Different Layers Through Differential Licensing

Sir,

Please find below the MTNL Comments to TRAI Consultation Paper on “Enabling Unbundling of Different Layers through Differential Licensing” dated 20.08.2020.

Q1. Do you agree that in order to attract investment and strengthen the service delivery segment, Network services layer and Service delivery layer needs to be separated by introducing specific license for Network Layer alone? Please justify your answer.

MTNL Reply: Network Layer, comprising of core equipment, radio access network, backhaul, etc., is most critical for investment and innovation. It is very capital intensive and requires huge investment. To attract investment and competition, we may additionally have authorization for Network Service in the existing Unified License regime only. It will provide options to Access Service Provider to use the network of Network Service providers. The concept of the Network Service Layer may be useful in innovation of new technologies/services like 5G for which ecosystem is not presently well developed.

Q2. Should the Network Services Layer licensee be permitted to take the Service Delivery Category licenses and provide the service? If yes, what kind of restrictions and safeguards are required to be built, in order to protect the competition and innovation in service delivery segment? Please justify your answer.

MTNL Reply: Network Services Layer licensee should not be permitted to take service delivery category licenses and provide the service. The service delivery function should be the exclusive right of Access Service Providers.

It is submitted that the whole telecom industry revolves around customer acquisition and retention – and the most important parameter for customer acquisition is service delivery which is critically dependent upon network. It is very much possible, that, to acquire and retain customers, a network service layer licensee affects the service of its dependent access service licensees if it is allowed Service Delivery Category license to provide the service.

The present ecosystem with delivery of data services and content is transparent and non-discriminatory to the content providers. This stable system may get disturbed if a content provider is permitted to enter the market with both network service function and service delivery function.

Q3. Whether certain obligations should be imposed on the existing Unified Licensees, and other measures should be taken to encourage UL licensees to provide their network resources to VNO licensees particularly in mobile service segment? Please suggest the measures in detail.

MTNL Reply: The present arrangement for the relationship between VNO and UL is appropriate and sufficient.

A VNO basically provides additional reach to an access service provider – in areas uncovered by the access service provider; however, an access service provider also has a mandate and is eligible to provide reach to all areas. Hence, mandating sharing of network resources with a VNO is not in the interest of Access Service Providers. Sharing network with VNO should be left to the requirement and the commercial arrangement between the two parties.

Q4. In case network layer and service delivery layer are separated by creating separate category of licenses, as proposed in Q1;

a) What should be the scope for Network layer license and Service Category licenses?

MTNL Reply: As replied in Q1, there is only a requirement of additional authorization for Network Service in the existing Unified License regime to attract investment and innovation. There is no requirement for a separate Service Category License – other than ensuring multi operator regime, to strengthen Delivery segment. Competition amongst operators ensures required investment and innovation in Service Category. The purpose of

Network Service Layer Licensee is to create innovation and efficiency in the system and allow optimal utilization of Capital investment.

The scope of Network Layer Service Licensee, should be limited to installation, operation and maintenance of Network i.e. Radio Access Network, Transmission system, Backhaul, Core Network etc.

b) Out of various responsibilities and obligations enumerated in Unified License, what should be the respective responsibilities and obligations of Network layer licensees and Service delivery category licensees? Please elaborate with justifications.

MTNL Reply: In accordance to reply at (a) above, QoS and related parameters, network coverage, and other network issues should be a domain of Network Layer Licensee.

However, as already noted above, there is no requirement of separate Service Category license.

c) What mechanism should be put in place to regulate the access to network services of Network layer licensees by the service delivery Category licensees? Whether certain obligations should be imposed on Network layer licensees to provide the network resources in a timebound, transparent and non-discriminatory manner?

MTNL Reply: To regulate the access to network service of Network layer licensee by access service providers, there should be obligations on the Network layer licensee to provide quality of network and comply with security related obligations.

Provisioning of network resources in a timebound, transparent and non-discriminatory manner should be governed by the license conditions and SLA between Access Service Providers and Network Layer Licensee.

d) What incentives (for example, lower license fee, lower SUC, etc.) could be provided to Network Layer licensees in the new unbundled licensing regime to encourage the investment in the Network layer? Please justify your answer.

MTNL Reply: Licensee fee and spectrum charges should be uniform for all Licensees. Any charges payable from one Licensee to another Licensee should be treated as pass – through charges, in order to incentivize sharing of resources and network.

e) Whether the existing Unified Licensees should be mandated to migrate to the unbundled licensing regime, or the new regime should

be introduced, while keeping the existing regime continued for existing licensees till the validity of their license, with an option of migration?

MTNL Reply: As submitted above, there is no need to mandate existing licensee to migrate to Network Layer License. Network Layer License may be included in the existing UL regime as a NETWORK LAYER SERVICE Authorization. It should be prerogative of the Licensee to choose the License as per its requirement.

f) Whether existing VNO licensees be mandated to migrate to service delivery category licenses as per unbundled licensing regime?

MTNL Reply: No. As also submitted above, there is no requirement of separate Service Category license.

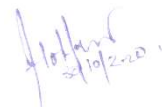
g) Whether service delivery category licensees be permitted to parent with multiple Network Service layer licensees? Please justify your answer.

MTNL Reply: As noted above there is no requirement of a new Service Category License.

However, in view of our submission for a new Network Layer Service Authorization/ License (UL), in a single service area, one Access Service licensee should be permitted to parent with more than one network service layer licensee and vice-versa; so as to encourage competition which will result in efficiency and better quality of service.

Q5. Any other issue related to the subject may be raised with suitable explanation and justification.

MTNL Reply: Existing UL arrangement is sufficient for service delivery license. It is proposed that additional authorization under UL may be provided for Network Service Layer.



Alok Kumar
(Manager Regulation)