



## **VIL Comments to the TRAI's Consultation Paper on Review of Terms and Conditions of PMRTS and CMRTS Licenses**

At the outset, we are thankful to the Authority for giving us this opportunity to provide our comments to the Consultation Paper on "Review of Terms and Conditions of PMRTS and CMRTS Licenses" dated August 29, 2023.

In this regard, kindly find below our question-wise for Authority's kind consideration:

### **Question-wise Comments**

**Q1. Whether there is a need to review the terms and conditions of PMRTS License and PMRTS Authorization under Unified License? Kindly provide a detailed response with justifications.**

**And**

**Q2. In case it is decided to review the terms and conditions of PMRTS License and PMRTS Authorization under Unified License, in what manner should the following conditions be amended?**

- (a) Scope of the license**
- (b) Roll out obligation**
- (c) Technical conditions**
- (d) Network interconnection**
- (e) Security conditions**
- (f) Any other (please specify).**

**Kindly provide a detailed response with justifications**

### **VIL Comments to Q1 and Q2**

1. When it comes to usage of scarce natural resources like spectrum etc., it is vital to ensure that a non-discriminatory method is adopted for distribution and alienation, which would necessarily safeguard national/public interest. Assignment of fresh spectrum in any band should be through a fair and transparent auction, which would also be aligned with the Hon'ble Supreme Court Judgment.
2. In our view, auction is the only viable strategy which guarantees a balanced competitive landscape amongst communication service providers as well as upholding same service, same rules, for a common resource viz. spectrum.
3. PMRTS, being a spectrum dependent communication service, the rules and principles governing spectrum assignment and its charges, should be as is applicable for access services.

4. Therefore, assignment of fresh spectrum in any band should be through a transparent and fair auction.
5. Other than above, we are of the view that there is no need to review the terms and conditions of PMRTS License and PMRTS authorization under Unified License. The existing terms and conditions of PMRTS authorization are flexible and allow use of both analog and digital technologies.

**Q3. Whether PMRTS providers should be permitted Internet connectivity with static IP addresses? Kindly provide a detailed response with justification.**

**VIL Comments to Q3**

1. The Unified License possesses multiple authorizations to cater to various types of communications services, thereby providing scope of services and conditions related to security, technical, financial, spectrum requirements, etc.
2. The consultation paper highlights the requirement raised by PMRTS provider for internet connectivity with static IP under para 2.13, extract given as below:
  - a. *During preparatory discussions, PMRTS providers indicated that they require internet connectivity with static IP for (a) site-to-site networking; (b) trunking system backhaul connectivity; and (c) to have inter-city and intra-city roaming voice calls.*
  - b. *One of the PMRTS providers mentioned that it should be permitted to interconnect all the base station sites within the same service area; for instance, all the base station sites in National Capital Region (NCR) should be allowed to be interconnected to offer seamless coverage; given that most customers have their offices in main city and factories/ warehouses in the suburbs, inter-linking of sites becomes a necessity to ensure seamless coverage across the city and suburbs.*
3. In our view, revision in license conditions of PMRTS providers should not lead to increase in scope of services, which otherwise would be part of access services (including but not limited to roaming, mobility/internet services).

**Q4. Whether there is a need to review the extant provisions relating to service area for PMRTS Authorization under Unified License? If yes, whether it would be appropriate to grant PMRTS Authorization for three different categories with service area as (a) National**

**Area; (b) Telecom circle/ Metro Area; and (c) Secondary Switching Area (SSA)? Kindly provide a detailed response with justification.**

#### **VII Comments to Q4**

1. During an earlier TRAI consultation, all stakeholders supported LSA based authorization considering the expanding geographical boundaries of cities and need for PMRTS to be offered to customers across large areas outside the city. This was mentioned in TRAI recommendations as well.

2. Post consultation, TRAI recommended as below:

*2.4 As per existing condition under UL, the Service Area of PMRTS shall be the Telecom Circle/Metro Area similar to as defined for Access Service authorization with duration of 20 years. All the stakeholders are also in favor of LSA based authorization criteria for PMRTS License. The Authority concurs with the views of the stakeholders that the existing LSA based authorization criteria for PMRTS license should be continued.*

*2.5 Accordingly, the Authority recommends that the existing Licensed Service Area (LSA) based authorization criteria for PMRTS license should continue.*

3. In our view, licensing for all communication services under Unified License, should be on LSA basis only.

**Q5. Whether there is a need to review the extant provisions relating to the authorized area for use of a particular frequency spectrum to PMRTS providers? If yes, in what manner should these provisions be amended? Kindly provide a detailed response with justification.**

**And**

**Q6. Whether there is a need to review the mechanism of shifting the fixed station from one location to another location within the authorized area for use of a particular frequency spectrum? If yes, what should be the terms and conditions for such permission? Kindly provide a detailed response with justification.**

**And**

**Q7. Whether there is a need to permit PMRTS providers to shift a few frequency carriers out of a pool of frequency carriers, assigned to an existing Fixed Station, to a new Fixed Station located within the authorized area for use of the pool of frequency carriers? If yes, in what manner the challenges arising out of such partial shifting of frequency carriers may be mitigated? Kindly provide a detailed response with justification.**



## **VIL Comments to Q5, Q6 and Q7**

1. We reiterate our above comments mentioned at point nos. 1 to 4 to Q1 and Q2.
2. In our view, there is a need to review the methodology for allocation of spectrum assignment to PMRTS licensees. We recommend that assignment of fresh spectrum in any band, should be only through a transparent and fair auction.

**Q8. Whether there is a need to review the requirement of obtaining Wireless Operating License (WOL) by PMRTS providers? Kindly provide a detailed response with justification.**

**And**

**Q9. Whether there is a need to review the provisions related to sale, lease and rent of the radio terminals of PMRTS? Kindly provide a detailed response with justification.**

**And**

**Q10. In case your response to the Q9 is in the affirmative, what kind of changes will be required in PMRTS licenses and Dealer Possession License (DPL) and guidelines? Kindly provide a detailed response with justification.**

**And**

**Q11. Whether there is a need to review the provisions related to import of the radio terminals of PMRTS? Kindly provide a detailed response with justification.**

**And**

**Q12. Whether there is a need to review the provisions related to replacement of unserviceable network elements of PMRTS? Kindly provide a detailed response with justification.**

**And**

**Q13. Whether there is need to review the recommendation No 4.5 (mentioned below) of the TRAI's Recommendations on 'Method of allocation of spectrum for Public Mobile Radio Trunking Service (PMRTS) including auction, as a transparent mechanism' dated 20.07.2018, which are under consideration of DoT?**

**"4.5 The Authority recommends that-**

**(a) Carrier size for assignment to PMRTS licensee (both for analog or digital) shall be 6.25 KHz and multiples thereof.**

- (b) Carriers (frequency pairs) of 25 KHz already assigned to the service providers should be allowed to be retained by the service providers.**
  - (c) Additional assignment of carriers for the existing analogue system shall continue @ carrier size of 25 KHz (counted as 4 carriers of 6.25 KHz each).**
  - (d) Assignment in new cities/ service areas shall be made for digital systems only.**
  - (e) Initially for each city, twelve carriers (frequency pairs) of carrier size 6.25 KHz in metro licensed service area and eight carriers (frequency pairs) in non-metro license service area shall be assigned for PMRTS (Digital system) depending on the availability.”**
- Kindly provide a detailed response with justification.**

#### **VIL Comments to Q8, Q9, Q10, Q11, Q12 and Q13**

No comments.

**Q14. Whether there is a need to mandate PMRTS providers to migrate to spectrally efficient digital technologies in a time-bound manner? If yes, what should be the time frame for mandatory migration to spectrally efficient digital technologies? Kindly provide a detailed response with justification.**

**And**

**Q15. In case your response to Q14 is negative, what measures should be taken to nudge and encourage PMRTS providers to migrate to spectrally efficient digital technologies? Kindly provide a detailed response with justification.**

#### **VIL Comments to Q14 and Q15**

1. The evolution of technologies is an ongoing process and it depends upon global factors as well. The evolution of technologies and its deployment in networks has to go hand in hand with upgradation of end user devices. If the new network technologies are not compatible to existing/old devices being used by end consumers, it will cause huge inconvenience to end consumers in terms of buying a new radio terminal compatible to new network technologies.
2. Migration to newer technologies depends upon network cost, status of end user radio terminals, availability of radio terminals compatible to new technology, potential business loss to licensees on old technologies, etc.
3. In our view, the adoption of any technology should be a commercial and business decision of the licensee and the licensing/regulatory norms should only play a role of enabling such adoption. The organic migration to advanced technologies happen due to market forces, value proposition and consumer choice. Any regulatory mandate in this regard would end up disturbing the market forces and can cause consumer inconvenience.

4. We recommend that there should not be any mandate on any licensee to migrate to any specific technology.

**Q16. Whether it is possible to deliver the PMRTS/ CMRTS, which are mission-critical in nature, using 4G/ 5G Network Slicing or any other technology? If yes, in what manner should the delivery of PMRTS/ CMRTS using 4G/5G network slicing be enabled in the license? What should be safeguards to ensure that the quality-of-service for cellular networks is not adversely impacted? Kindly provide a detailed response with justification.**

#### **VIL Comments to Q16**

Using 4G/ 5G Network Slicing for PMRTS depends upon various factors like use-case, category of area, availability of network, commercial proposition, QoS, spectrum availability, etc. Hence, the licensing or regulatory norms should enable network-slicing arrangements, without making them mandatory.

**Q17. Whether there is a need to review the terms and conditions of PMRTS Authorization under Unified License (VNO)? Kindly provide a detailed response with justification.**

**And**

**Q18. In case it is decided to review the terms and conditions of PMRTS authorization under Unified License (VNO), in what manner should the following existing provisions be amended?**

- (a) Service area**
- (b) Scope of the license**
- (c) Network interconnection**
- (d) Any other (Please Specify).**

**Kindly provide a detailed response with justification.**

#### **VIL Comments to Q17 and Q18**

No comments.

**Q19. Whether there is any other issue relevant for review of terms and conditions of the PMRTS License, PMRTS Authorization under Unified License, and PMRTS authorization under Unified License (VNO)? Kindly provide a detailed response with justifications.**

## **VIL Comments to Q19**

1. We reiterate our above comments mentioned at point nos. 1 to 4 to Q1 and Q2.
2. In our view, there is a need to review the methodology for allocation of Spectrum assignment to PMRTS licensees. We recommend that assignment of fresh spectrum in any band, should be only through a transparent and fair auction.

**Q20. Whether there is a need to review the terms and conditions of CMRTS license? Kindly provide a detailed response with justifications.**

**And**

**Q21. What should be the eligibility conditions for obtaining CMRTS license? Further, what should be the application processing fee for CMRTS license? Kindly provide a detailed response with justification.**

**And**

**Q22. In case it is decided to review the terms and conditions of CMRTS license, in what manner should the following terms and conditions be amended?**

- (a) Service area
- (b) Period of validity
- (c) Scope of the license
- (d) Technical conditions
- (e) Channel assignment and loading
- (f) Operating conditions
- (g) Conditions relating to suspension, revocation or termination of license.
- (h) Any other (please specify).

**Kindly provide a detailed response with justifications.**

## **VIL Comments to Q20, Q21 and Q22**

1. We reiterate our above comments mentioned at point nos. 1 to 4 to Q1 and Q2.
2. In our view, there is a need to review the methodology for allocation of Spectrum assignment to CMRTS licensees. We recommend that assignment of fresh spectrum in any band, should be only through a transparent and fair auction.
3. CMRTS is a spectrum dependent communication service, and is similar to other communication services like access services. Therefore, the rules and principles governing spectrum assignment and its charges, should be same for CMRTS as is applicable for PMRTS and access service providers, except for Police, Fire and Government Security.

4. Other than above, we are of the view that there is no need to review the terms and conditions of PMRTS License and PMRTS authorization under Unified License. The existing terms and conditions of PMRTS authorization are flexible and allow use of both analog and digital technologies.

**Q23. Whether there is a need to mandate CMRTS licensees to migrate to spectrally efficient digital technologies in a time-bound manner? If yes, what should be the time frame for mandatory migration to spectrally efficient digital technologies? Kindly provide a detailed response with justification.**

**And**

**Q24. In case your response to Q23 is in the negative, what provisions should be made to nudge and encourage CMRTS licensees to spectrally efficient digital technologies? Kindly provide a detailed response with justification.**

#### **VIL Comments to Q23 and Q24**

1. Please refer to our comments to Q14 and Q15 above.
2. We recommend that there should not be any mandate on any licensee to migrate to any specific technology.

**Q25. Whether there is any other issue relevant for review of terms and conditions of the CMRTS License? Kindly provide a detailed response with justifications.**

#### **VIL Comments to Q25**

No comments.

**Q26. Is there a need to review the license fee prescribed for PMRTS/CMRTS? Please justify your answer. If yes, please suggest detailed methodology for arriving at the license fees for PMRTS/CMRTS with justification.**

#### **VIL Comments to Q26**

1. In our view, all the licensees involved in communication services should have uniform license fee i.e. 8% presently.



2. Industry has been seeking reduction in license fee of 8%. If there is any reduction to the licensee fee of 8%, it should be applied uniformly to all authorizations under Unified Licenses as well as other licensees involved in communication services.

**Q27. Whether there is a need to review the allocation of spectrum for PMRTS? If yes, what changes should be made in the allocation of spectrum for PMRTS in the National Frequency Allocation Plan? Kindly provide a detailed response with justifications.**

#### **VIL Comments to Q27**

1. We reiterate our above comments mentioned at point nos. 1 to 4 to Q1 and Q2.
2. In our view, there is a need to review the methodology for allocation of Spectrum assignment to PMRTS licensees. We recommend that assignment of fresh spectrum in any band, should be only through a transparent and fair auction.

**Q28. What should be the method of assignment of spectrum for PMRTS?**

**(a) Auction; or**

**(b) Administrative**

**In the case of auction, what should be the methodology for auction of spectrum? Kindly provide a detailed justification.**

**And**

**Q29. In case it is decided to auction the frequency spectrum allocated to PMRTS, -**

**(a) What should be the eligibility conditions for participating in auction?**

**(b) Whether the entire available spectrum in the frequency bands identified for PMRTS in National Frequency Allocation Plan (NFAP) should be put to auction?**

**(c) What should be the block size of spectrum, and minimum bid quantity in terms of number of blocks?**

**(d) What should be the spectrum cap for each authorized area for use of spectrum?**

**(e) What should be the roll-out obligations associated with the assignment of spectrum?**

**What should be the penalties upon non-conforming the roll-out obligations?**

**(f) What should be the period of assignment of spectrum?**

**(g) What should be the minimum period beyond which the spectrum acquired through auction may be permitted to be surrendered?**

**(h) What should be the process and associated terms and conditions for permitting surrender of spectrum through auction?**

**Kindly provide a detailed response with justification in respect of each of the above.**

**And**

**Q30. In case auction methodology is to be followed for assignment of spectrum:**

**(a) Whether the value of frequencies assigned to the PMRTS providers be derived by relating it to the value or auction determined prices of other IMT/5G bands by using technical efficiency factor? If yes, with which spectrum band, should these frequencies be related and what efficiency factor or formula should be used? Please justify your suggestions.**

**(b) Given the city wise allocation and the potential difference in financial/market parameters of PMRTS with respect to access services, should the valuation of frequency spectrum for these services derived on the basis of IMT/5G prices be adjusted in order to account for the said distinctions? Please explain the adjustment methodology in detail.**

**(c) Apart from the above approaches, which other valuation approaches can be adopted for valuation of spectrum assigned to PMRTS providers? Kindly support your suggestions with detailed methodologies, assumptions, and other relevant factors.**

**(d) Is it appropriate to take the reserve price as 70% of the valuation of spectrum? If not, what should be the ratio adopted between the reserve price for the auction and valuation of spectrum and why?**

**(e) What should be the payment terms and conditions relating to upfront payment, moratorium period, number of instalments to recover deferred payments, rate of discount etc.?**

**Please support your answer with detailed justification.**

#### **VIL Comments to Q28, Q29 and Q30**

1. We reiterate our above comments mentioned at point nos. 1 to 4 to Q1 and Q2.
2. **Spectrum assignment methodology:** We recommend that assignment of fresh spectrum in any band, should be only through a transparent and fair auction.
3. **Valuation:** TRAI has earlier also dealt with new spectrum bands for which any historical auction and/or revenue data is not available. In such cases also, TRAI has been able to give valuation. The valuation can be based on spectral efficiency of the spectrum band being auctioned as compared to an existing auctioned spectrum band or through different models used by TRAI earlier. Also, the pricing for spectrum should be on licensed service area wise basis only.
4. **Reserve Price and Payment Options:** In order to ensure uniformity, reserve price of 70% of valuation should be used. Similarly, payment options provided in NIA dated June 15, 2022 can be used.

**Q31. Whether there are any other issues/ suggestions relevant to the subject? If yes, the same may kindly be furnished with proper justification.**



**VIL Comments to Q31**

No comments.

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