

1178/TRAI/ISPAAI/17

May 1, 2017

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Subject: ISPAAI response to TRAI Paper on 'Introduction of UL (VNO) for Access Service authorization for category B license with districts of a State as a service area'

Dear Sir,

We congratulate the Authority to have come out with the consultation paper on the matter captioned above and sincere thanks for providing us the opportunity to submit our response on this matter.

We have enclosed our comprehensive response for your consideration. We believe that the Authority would consider our response in positive perspective and incorporate our concerns on the subject matter.

Looking forward for your favourable consideration.

Thanking you,

With Best Regards,
For Internet Service Providers Association of India



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Encl: As above

ISPAI Response to TRAI Consultation Paper on ‘Introduction of UL (VNO) for Access Service authorization for category B license with districts of a State as a service area’

Q1. Is there any need to introduce Cat –B VNOs in the sector?

- i. If yes, should the existing DID franchisees be mandated to migrate to UL (VNO) Cat-B based licensing regime? Do you foresee any challenges in the migration from franchisee regime to licensing regime?**
- ii. If no, how DID franchisee can be accommodated in the existing licensing regime in the country?**

ISPAI Response:

Yes, there is need to introduce Cat-B VNOs in the sector. This would enable all types of service based on all combinations of data and voice, including voice over internet. And would help in overall effort to penetrate the telecom services deeper into the market as well as help keep the services in closer consonance with Customer needs. Local VNOs would have much better understanding of the needs of the customer.

.DID franchisees should be mandated to migrate to UL (VNO) Cat-B based licensing regime. This would enable all services on a level playing field and it would be possible to specify and adhere to the required Quality of service.

There is challenge of imposing AGR without offset of services being purchased, which today predominantly may be as bandwidth purchase and creating the products both for voice and Broadband. This would result in depleting already very thin margin and put new licenses unviable even as they start the service.

There is uncertainty in Metro areas as they are divided in multiple districts and it would be very difficult to administer control over service in only such districts which do not seem to have any clear boundary. So for Areas which currently fall under the Metro Telecom Circles (Delhi, Kolkata, Chennai, Mumbai and areas under them such as Gurgaon, NOIDA, Mahabalipuram, Thane, etc), a revised entry fee not higher than Rs. 3 lakhs may be introduced.

Q2. Based on the complexities discussed in Para 13-15 above, should the scope of UL (VNO) Cat-B licensee be limited to provide landline (voice) and internet services or should these be allowed to provide mobile service also?

In case mobile services for such licensees are allowed, how the issues enlisted in Para 13-15 will be addressed? Please explain in detail.

ISPAI Response: Cat-B access licensees should be allowed all services including mobile services. Local operators would be able to align the services and innovate to meet the needs of the users.

Q3. Can the license duration for UL (VNO) Cat-B be kept 10 years which is at par with other licenses issued under UL (VNO) policy? If no, justify your answer.

ISPAI Response:

Yes it should be kept 10 years. Even for licenses awarded before the date of Licensor starting issuing Licenses post TRAI recommendations under this consultation paper.

Q4. What should be Networth, Equity, Entry Fee, PBG, FBG etc. for District level UL (VNO) Cat.-B licensee in case these are allowed for Wireline and Internet services only? Answer with justification.

ISPAI Response:

It should be as per Cat B licenses already being issued. As per existing UL VNO policy Cat-B district level Entry fee is fixed at Rs.16,500/- per year and FBG Rs.1 Lakh.

There is uncertainty in Metro areas as they are divided in multiple districts and it would be very difficult to administer control over service in only such districts which do not seem to have any clear boundary. So for Areas which currently fall under the Metro Telecom Circles (Delhi, Kolkata, Chennai, Mumbai and areas under them such as Gurgaon, NOIDA, Mahabalipuram, Thane, etc), a revised entry fee not higher than Rs. 3 lakh may be introduced.

Q5. What should be Networth, Equity, Entry Fee, PBG, FBG etc. in case Cat.-B VNOs are allowed to provide mobile access service also? Please quantify the same with justification.

ISPAI Response: As suggested before, as mobile services should be part of the license. So there is no need to change for Mobile services.

Q6. Keeping in view the volume of business done by DID franchisees, what penalty structure be prescribed for UL (VNO) Cat 'B' licensee for violation of UL (VNO) Cat. - 'B' license terms and conditions?

ISPAI Response: There should be penalties imposed but with a cap of Rs 5 Lacs after violation is established that it is on account of VNO operator.

Q7. Should the UL (VNO) Cat.-B licensees be treated equivalent to the existing TSPs/VNOs for meeting obligations arising from Tariff orders/regulations /directions etc. issued by TRAI from time to time?

ISPAI Response: Yes, these should be treated equivalent to the existing VNOs.

Q8. What QoS parameters shall be prescribed for UL (VNO) Cat. 'B' licensees?

ISPAI Response:

Same as for other TSPs. Basically UL (VNO) Cat. 'B' licensees should not be allowed to lower QoS in any manner. While user needs are closely met, services should not be degraded.

Q9. Based on the business and operational requirements as discussed in Para. 21 above, should UL (VNO) Cat. 'B' licensees be permitted to enter into agreement to hire telecom resources from more than one TSP in its area of operation for providing voice and internet services through wireline network?

ISPAI Response:

Basically UL (VNO) Cat. 'B' licensees should be allowed to enter into agreement to hire telecom resources from multiple TSPs for the same service only after 3 years from a specified date. In any case from day1, separate TSP should be allowed for separate service. E.g. ISP services, TSP1. Mobile services TSP2.

Q10. Do you foresee any challenge in allowing such arrangement as discussed in Q9 above?

ISPAI Response: There is challenge only for services which require numbering allocation.

Q11. Please give your comments on any related matter not covered in this Consultation paper.

ISPAI Response: No comment

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