



DIGITAL
LIFE

RJIL/TRAI/2019-20/588
27th January 2020

To,

Shri S.T. Abbas
Advisor (NSL)
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
Jawahar Lal Nehru Marg, New Delhi 110002

Subject: Comments on Pre-Consultation Paper dated 09.12.2019 on "Enabling Unbundling of Different Layers Through Differential Licensing".

Dear Sir,

Please find enclosed comments of Reliance Jio Infocomm Ltd. on the issues raised in the Pre-Consultation Paper dated 09th December 2019 on "Enabling Unbundling of Different Layers Through Differential Licensing".

Thanking You,
For Reliance Jio Infocomm Limited,


Kapoor Singh Guliani
Authorised Signatory



Enclosure: As above.

Reliance Jio Infocomm Limited's Comments on TRAI's Pre-Consultation Paper on "Enabling Unbundling of Different Layers Through Differential Licensing"

1. At the outset we welcome Authority's initiative to solicit feedback and comments on pre-consultation paper on "Enabling Unbundling of Different Layers Through Differential Licensing" ('CP'). We have been supportive of the efforts taken by the Authority and the Government in developing and evolving a balanced licensing regime. The holistic licensing regime comprising of Unified License ('UL'), Infrastructure Provider-I ('IP-I') and Unified License (Virtual Network Operators) ['UL (VNO)'] allows for the required segregation/unbundling of network, infrastructure and service layers and allow optimum sharing/utilization of telecom resources; hence there is no requirement of additional changes in the licensing regime.
2. While UL allows the benefits from convergence and spectrum liberalization, UL(VNO) delinks the licensing for the networks from the delivery of services. UL(VNO) not only helps in maintaining the level of competition, but also make way for innovative services in niche, unserved areas; facilitate effective and efficient utilization of the infrastructure/resources created by existing Telecom Service Providers ('TSPs'). It also encourages local entrepreneur with small investment for providing various services to several villages in few blocks or District by becoming a VNO. UL(VNO) allows players, who did not own network, to provide any or all telecom services which are being provided by the existing TSPs. VNOs can also set up their own network equipment and can create their own service delivery platforms in respect of customer service, billing and VAS.
3. The current licensing framework also allows operators to optimally utilize their networks and spectrum by sharing active and passive infrastructure. In addition, a company registered as IP-I with DoT is permitted to lay telecommunication infrastructure which can be shared by multiple players; hence delinking the infrastructure layer.
4. We recommend that there is no additional benefit by introducing a concept of independent network service provider / operator, as under the current licensing regime there is no barrier to entry of new operator and there is enough segregation of network and service layer. We submit that the licensing regime has been aptly moving towards unification and simplification in last few years under able guidance of Authority and the benefits from the same may be diluted due to any new regulation around differential licensing. On the contrary any additional licensing requirement may only create ambiguity with respect to service scope and entity responsible for fulfilling extant licensing conditions within the new layers as envisaged and will add to the existing regulatory burden of the existing players.
5. The Authority has very aptly adopted a light touch regulation for application services allowing for rampant growth of application providers, who are providing various application services to



different verticals using telecom resources. Additionally, there has been rapid investment in this domain due to enabling regulations including licensing regime for network allowing efficient utilization of resources and other associated regulations like net neutrality, etc. Rather, there is urgent need to address present policy imbalance for various application services provided by OTT communications players so as to bring parity among all service providers providing same type of services.

6. The current licensing regime is also well poised to harness the power of emerging digital technologies, including 5G, Artificial Intelligence, Internet of Things, Cloud and Big Data while promoting investment and innovation. We request that Authority should provide for incentives and reduce regulatory financial burden on existing players, allowing them to invest effectively towards these future technologies.

Q1. In your view, what could be the possible benefits and anticipated problems in having an unbundled licensing regime? Kindly suggest the measures that can be taken to overcome the anticipated problems (if any).

1. As elaborated above, we believe that the current licensing regime is well balanced and provides space for required segregation of layers while ensuring optimum utilization of telecom resources. We recommend that there should not be any change in the current licensing regime as it may lead to increase in burden for existing players.

Q2. In case it is decided to unbundle the different layers of licensing,

(a) what should be the different layers and their scope? What changes would be required in licensing regime to enable such a framework?

(b) Should there be a new regime of licensing on which the existing licensees should migrate within a specified time frame or there should be a parallel incentivized licensing regime for unbundled layers of license?

1. Not applicable

Q3. In case you are of the opinion that there is no need of unbundling of different layers of the license, what changes should be made in the existing licensing regime to (i) promote sharing to increase utilization of the existing resources, and (ii) catalyse investments and innovation in Digital Communications sector?

AND



Q4. What other reforms / changes are required in the existing licensing regime?

1. We recommend that Authority should evaluate options to reduce regulatory financial burden and provide incentives to TSPs to catalyze investment and innovation in the sector. As elaborated above, we submit that the current licensing regime allows required enabling environment for sharing of resources between players in the sector.
2. In order to further incentivize sharing of existing resources within the present licensing regime, the Authority can recommend various reforms like permitting infrastructure charges paid by one TSP to another TSP as pass-through charges, as being currently allowed for UL(VNO) licensees. Further, the current additional spectrum usage charge levied in case of spectrum sharing can be revised downwards significantly or even can be removed entirely, so as to promote spectrum sharing across all operators.
3. We submit that Authority should also prescribe uniform licensing obligations, similar to those applicable for TSPs, for players offering functionally similar/substitutable services to those being offered by TSPs, viz. Over the Top ('OTT') communication services. Considering the sizeable reach and significant impact of prevalent OTT communication services, Authority should consider registration/authorization for the OTT communication service providers. Such registration/authorization will allow Authority to have regulatory oversight and mandate such OTT players to comply with requirements related to national security, consumer safety, data security and data privacy.

