Uninor

COUNTER COMMENTS on Consultation Paper on "ISSUES related to TELCOM INFRASTRUCTURE POLICY"

Going through the issue-wise responses of some of the stake holders, Uninor would like to clarify its stand further on Issue 6, relating to MVNO policy.

While we agree that the current situation in the Telecom market in India is characterized by intense competition, with the presence of 12 to 14 Mobile Network Operators (MNOs), falling tariffs/rising usage levels, but this competition is skewed in favor of incumbent operators.

In such a cost competitive scenario, on the one hand it is important to further promote optimal utilization of scarce spectrum resources. This can be achieved through appropriate M&A guidelines encouraging consolidation amongst the MNOs through a free play of market forces. On the other hand, it is equally important to ensure that effective competition and choice is maintained at the retail end post the consolidation phase. Here, permitting MVNOs would help maintain more or less equal level of competing forces at the retailing end and will also lead to more innovations in the service offerings.

Further to TRAI's proposal that there should not be any limit to the number of MVNO's attached to an MNO, we have in our submission to TRAI suggested a way in which MVNOs can be utilized to provide competitive offerings in the rural and remote areas by leveraging the spectrum / infrastructure of MNOs, including choice for tying up with MNOs having coverage efficient spectrum in the 900 MHz band. Such a policy will set in motion entrepreneurial skills for providing need-based, cost effective and affordable telecom services for the rural masses, as against the TRAI proposal of mandating rural rollout obligations for all MNOs, contained in its recommendation of May 2010, which will lead to creation of duplicate and redundant telecom infrastructure.

An encouraging MVNO policy, covering both facility and non-facility based, will also open up the scope for niche MVNOs that may try out low cost networks employing Micro-cellular systems thus reducing heavy investments in traditional telecom infrastructure.