

VTL/Reg/TRAI/1410/4262
October 07, 2014

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Subject: VTL Response on Consultation Paper on " Delinking of license for networks from delivery of services by way of virtual network operators "

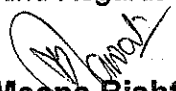
Ref: TRAI Consultation Paper No. 12/2014 dated 24th September, 2014

Respected Sir:

Videocon Telecommunications Limited welcomes the opportunity to give our comments to TRAI's consultation Paper on "Delinking of license for networks from delivery of services by way of virtual network operators". Please find attached herewith our response on the same.

This is for your information and kind consideration please.

Kind Regards



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Encl.: as above

Response to the TRAI Pre Consultation Paper on “Delinking of license for networks from delivery of services by way of virtual network operators”

National Telecom Policy 2012 has emphasized the need for continued growth of telecom sector and recognized the predominant role of wireless technologies in the delivery of services. The MVNOs generally enhance and stimulate the competition and provide innovation in the delivery of mobile services and therefore there is a strong case to allow MVNOs. TRAI, in its recommendations on August 06, 2008 also recognized ‘introduction of MVNO as a natural progression towards enhancing free market principles and contributing to the efficient use of existing telecom infrastructure.

Videocon Telecommunications Limited is in agreement with the proposal of a separate operator for delivery of services in the NTP-2012. Introduction of virtual network operator (VNO) in the Licensing Regime will result into robust competition. Till now, TSPs are mandated to have their own networks for providing services to their customers. With the spread of vast infrastructure by many TSPs and passive infrastructure by IPs and TSPs, this may be an appropriate time for introduction of VNOs. We are thankful to TRAI for a very timely action to start a consultation process on this subject and of the opinion that with introduction of MVNO in India, it will not only help in focused services in the Urban market (more than 100% tele-density) but will also help in better penetration of services in Rural areas.

Through this pre-consultation paper, stakeholders have been asked to give their inputs on the proposal of DoT for delinking of licenses for networks from the delivery of services by way of VNOs. Inputs have been sought on associated issues which may arise in the proposed licensing framework. Accordingly, our inputs on the subject are given below:

1. **Licensing:** One more category of license will be added under UL and separate authorization for SDO will have to be obtained by the licensee. The TSP having own network and also wants to be SDO, can take both the authorizations. Separate license for each service area should be required. Duration of SDO license can be the same as for UL. Eligibility conditions, network and paid up capital etc for SDO license need to be deliberated. Other issues like whether any business case/ revenue potential exist for V-SAT, PMRTS/CMRTS, GMPCS can be deliberated during consultation process.
2. **Sharing of infrastructure:** The issues like sufficiency of infrastructure and spectrum with the existing TSP for sharing to the proposed SDO have to be left to the individual choices and market forces. SDO can perhaps be allowed to use the network of only one NSO. However, NSO can offer its network to more than one SDO. These issues need greater deliberation.
3. **Regulatory Models:** Commercial model covering the nature of relationship and agreements between the two types of licensees can be left to the market forces. There may be a provision for



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the Regulator to intervene if required. SDO need to comply with all the reporting requirements of the Licensor and the Regulator.

4. **Service obligations of SDO:** Handling of customer grievances, tariff and billing, QoS and other regulatory requirements must be the responsibility of SDO for its customers. Obligations of SDO would be the same as for the TSP except the Roll-out obligations. There should be sufficient safeguards to control the SDOs from flying away.
5. **Security issues:** SDO should comply with the requirements of customer acquisition including subscriber verification and CAF related issues. All other requirements to comply with National security should apply to SDO.
6. **Entry fee, License fee and spectrum usage charges:** How different fees to be administered without levying double taxation needs to be deliberated. AGR should be defined in a clear way for SDO and revenues only from its licensed activities be counted in GR.
7. **Mergers, Substantial equity and FDI:** Need deliberation on all these issues.
8. **Allocation of Numbers, MNP, Interconnection with other service providers and Roaming:** These provisions related to network may be provided by the parent NSO to the SDO.
9. There shall be multiple numbers of VNOs attached to a network operator. However, in the same service area, a VNO can be attached to only one network operator.
10. Issues related to compliance in respect of customer grievance, tariff and billing should be of VNO, in same way as that of a network operator and it should comply with related regulatory.
11. AGR and License Fee should be similar to that of network and any changes in the definition of the AGR should be applicable in case of VNO also. It is also suggested that the revenue paid to the network operator should not be included in the AGR of the network operator, otherwise, it will lead to double charging of same revenue. The rate of license fee and the definition of AGR for VNO shall be similar to as defined for access service providers.
12. In case of dispute between the two, viz. VNO & MNO procedure for resolution of the dispute should be similar to what is followed for resolution by the network operator.