

No.: 208/TRAI/2024-25/ACTO

Dated: 19th November, 2024

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Ref: **ACTO's Response to TRAI's Consultation Paper dated October 22, 2024 on The Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023**

Dear Sir,

With reference to the *Consultation Paper on The Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act 2023*, issued by Hon'ble Authority, Association of Competitive Telecom Operators (ACTO), is pleased to provide our comments.

We hope that our comments (enclosed as Annexure – I) will merit consideration of the Hon'ble Authority.

Thanking you,
Respectfully submitted

Yours sincerely,
for **Association of Competitive Telecom Operators**

Director

Encl: As above

Annexure-I

ACTO's Response on TRAI's Consultation Paper on The Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023

The Association of Competitive Telecom Operators (ACTO) appreciates TRAI for bringing the Consultation Paper on "The Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023" dated 22nd October, 2024. We had given a detailed submission in response to various consultation papers issued by authority on key issues like CDN, IP-1, IXP etc. However, our response to some specific questions in brief is given below:

ACTO's response to the specific questions raised in the consultation paper:

Q1. Whether there is a need to merge the scopes of the extant Infrastructure Provider-I (IP-I) and Digital Connectivity Infrastructure Provider (DCIP) authorization (as recommended by TRAI in August 2023), into a single authorisation under Section 3(1)(b) of the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

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Q2. In case your response to the Q1 is in the affirmative, kindly provide a detailed response with justifications on –
(a) Eligibility conditions for the grant of the merged authorisation;
and
(b) Area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of the merged authorisation.

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Q3. In case your response to the Q1 is in the negative, -
(a) What changes (additions, deletions or modifications) are required to be incorporated in the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of the IP-I authorisation under Section 3(1)(b) of the Telecommunications Act, 2023 as compared to the extant IP-I registration?
(b) Whether there is a need to make certain changes in the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of the DCIP authorisation (as recommended by TRAI in August 2023)? If yes, kindly provide a detailed response with justifications.

ACTO's response:

IP-I registration was introduced to facilitate the construction of passive infrastructure essential for TSPs/ISPs, and it was provided without a license fee. However, the TRAI

recommendation expanded the scope of IP-I by introduction of DCIP to encompass all active infrastructure, excluding the core network, but proposed it be licensed without a license fee. During the TRAI consultation process, TSPs strongly argued either to exclude DCIP from consideration or to impose a license fee on it for two main reasons:

- a) Placing DCIP in a cost advantage over Access/NLD/ISP businesses due to the license fee discrepancy.
- b) The high potential for license arbitrage, as similar services provided by Access/NLD/ISP and DCIP could be subject to different license fee obligations.

Furthermore, given historical developments, all operators have already deployed their networks. It is therefore sensible to permit full infrastructure sharing, both passive and active, between licensees/authorizations and different licenses/authorizations held by the TSP itself. Additionally, pass-through should be allowed upon such sharing to avoid the multi-levy of license fees. TRAI, in its latest recommendations on Telecommunication Infrastructure Sharing, Spectrum Sharing, and Spectrum Leasing, has duly recommended allowing comprehensive sharing of active and passive infrastructure across licenses held by operators and across licensees.

For these reasons, we suggest the following:

- The scope of IP-I and DCIP should be kept separate if deemed necessary by the Authority.
- DCIP should be subject to license fees as applicable to other authorizations/licenses.
- Multi-levy of license fees should be avoided, and pass-through should be allowed in a B2B mode.

Q4. (a) Which telecommunication equipment/ elements should be included in the ambit of 'in-building solution' (IBS)?

(b) Whether there is a need to introduce a new authorisation under Section 3(1)(b) of the Telecommunications Act, 2023 for establishing, operating, maintaining or expanding in-building solution (IBS) by any property manager within the limits of a single building, compound or estate controlled, owned, or managed by it? If yes, what should be the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of such an authorisation? Please provide a detailed response with justifications.

ACTO's response:

No Comments.

Q5. Whether there is a need to make any changes in the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of the Content Delivery Network (CDN) authorisation, as recommended by TRAI on

18.11.2022? If yes, what changes should be made in the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of the CDN authorisation? Kindly provide a detailed response with justification.

ACTO's response:

There should be a light-touch regulatory regime for CDN service providers. If the Authority considers bringing them under Authorization, they should not be subject to License Fees and other burdensome licensing obligations. However, appropriate technical, operational, and security conditions relevant to the nature of the work undertaken by CDNs may be applied.

Q6. Whether there is a need to make any changes in the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of the Internet Exchange Point (IXP) authorisation, as recommended by TRAI on 18.11.2022? If yes, what changes should be made in the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of the IXP authorisation? Kindly provide a detailed response with justification.

ACTO's response:

There should be a light-touch regulatory regime for IXP service providers. If the Authority considers bringing them under Authorization, they should not be subject to License Fees and other burdensome licensing obligations. However, appropriate technical, operational, and security conditions relevant to the nature of the work undertaken by IXPs may be applied.

Q7. Whether there is a need to make any changes in the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of the Satellite Earth Station Gateway (SESG) authorisation, as recommended by TRAI on 29.11.2022? If yes, what changes should be made in the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of the SESG authorisation? Kindly provide a detailed response with justification.

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Q8. Whether there is a need to introduce a new authorisation for establishing, operating, maintaining or expanding satellite communication network, which may be used to provide network as a service to the entities authorised under Section 3(1)(a) of the Telecommunications Act, 2023? If yes-

(a) What should be the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of such authorisation?

(b) Whether an entity holding such authorisation should be made eligible for the assignment of spectrum for both feeder link as well as user link?

Kindly provide a detailed response with justification.

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- Q9. Whether there is a need to introduce an authorisation under Section 3(1) of the Telecommunications Act, 2023 for establishing, operating, maintaining or expanding ground stations, which may be used to provide ground station as a service (GSaaS)? If yes, what should be the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) for the authorisation to establish, operate, maintain, or expand ground stations, which may be used to provide GSaaS? Kindly provide a detailed response with justifications.**

ACTO's response:

We support the TRAI recommendation dated 29.11.2022 on licensing framework for establishing and operating Satellite Earth Station Gateway (SESG). This will help in the infrastructure development and the growth of the companies in India.

- Q10. Whether there is a need to introduce an authorisation under Section 3(1)(b) of the Telecommunications Act, 2023 for establishing, operating, maintaining or expanding cloud-hosted telecommunication networks, which may be used to provide telecommunication network as a service to the authorised entities under Section 3(1)(a) of the Telecommunications Act, 2023? If yes, what should be the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of such an authorisation? Kindly provide a detailed response with justifications.**

ACTO's response:

Cloud hosted service providers should not be subjected to regulatory or licensing authorization, except when the entity providing cloud services engages in network services, such as offering PSTN switching and routing capabilities. Even when such cloud service providers offer only space, power, racks, and virtual servers to TSPs to build core/non-core facilities, the revenues from these operations should not be subjected to license fees.

- Q11. What should be the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical,**

operational, security etc.) of the authorisation for Mobile Number Portability Service under Section 3(1)(b) of the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

ACTO's response:

No Comments.

Q12. What provisions should be included in the terms and conditions of various network authorisations under Section 3(1)(b) of the Telecommunications Act, 2023 considering the various sections including Sections 4 to 9, 19 to 24, 32 to 42, 44, 45, 49, and 55 of the Telecommunications Act, 2023 and technological/ market developments in the telecommunication sector? Kindly provide a detailed response with justifications.

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Q13. What provisions should be included in the terms and conditions of various network authorisations under Section 3(1)(b) of the Telecommunications Act, 2023 considering the policy/ Act in the Space Sector and other relevant policies/ Acts in the related sectors? Kindly provide a detailed response with justifications

ACTO's response:

The provisions should be in accordance with the scope of network authorisations.

Q14. What should be the terms and conditions for the merger, demerger, acquisition, or other forms of restructuring of the entities holding network authorisations under Section 3(1)(b) of the Telecommunications Act, 2023? Please provide a detailed response with justifications in respect of each network authorisation.

ACTO's response:

No Comments.

Q15. What conditions should be made applicable for the migration of existing network licenses, registrations etc. to the new network authorisation regime under Section 3(1)(b) of the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

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Q16. What procedure should be followed for the migration of existing network licenses, registrations etc. to the new network authorisation regime under Section 3(1)(b) of the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

ACTO's response:

No Comments.

- Q17. Whether there is a need to introduce certain new authorisations (other than the authorisations discussed above) to establish, operate, maintain or expand telecommunication networks under Section 3(1)(b) of the Telecommunications Act, 2023? If yes, -**
- (a) For which type of telecommunication networks, new authorisations should be introduced?**
- (b) What should be the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of such authorisations?**
- Kindly provide a detailed response with justifications.**

ACTO's response:

No Comments.

- Q18. Whether there is a need to remove certain existing authorisations to establish, operate, maintain or expand telecommunication networks, which may have become redundant with technological advancements? If yes, kindly provide a detailed response with justifications.**

ACTO's response:

No Comments.

- Q19. Whether there is a need to club the scopes of certain authorisations to establish, operate, maintain or expand telecommunication networks into a single network authorisation under Section 3(1)(b) of the Telecommunications Act, 2023 for bringing more efficiency in the telecommunication networks? If yes, kindly provide a detailed response with justifications.**

ACTO's response:

No Comments.

- Q20. What provisions should be included in the terms and conditions of various network authorisations under Section 3(1)(b) of the Telecommunications Act, 2023 to improve the ease of doing business? Kindly provide a detailed response with justifications.**

ACTO's response:

No Comments.

- Q21. Whether there is a need for mandating a reference agreement between authorised entities establishing, operating, maintaining or expanding the telecommunication network, and authorised entities providing telecommunication services? If yes, -**
- (a) Between which type of entities, reference agreements are required to be mandated?**
 - (b) What should be the salient features of the reference agreements between such entities?**
- Kindly provide a detailed response with justifications.**

ACTO's response:

ACTO is of the view that there is no need for mandating a reference agreement between authorised entities establishing, operating, maintaining or expanding the telecommunication network and authorised entities providing telecommunication services. It should be left to market forces and in case of market failure TRAI may consider the same for consultation in future.

- Q22. Are there any other inputs or suggestions relevant to the subject?**
- Kindly provide a detailed response with justifications.**

ACTO's response:

No Comments.

- Q23. In case it is decided for merging the scopes of the extant Infrastructure Provider-I (IP-I) and the Digital Connectivity Infrastructure Provider (DCIP) authorization into a single authorization under the Section 3(1)(b) of the Telecommunications Act, 2023, what should be the: -**
- (a) Minimum equity and networth of the Authorised entity.**
 - (b) Amount of application processing fees**
 - (c) Amount of entry fees**
 - (d) Any other Fees/Charge**
- Please support your response with proper justification.**

ACTO's response:

No Comments.

- Q24. In case it is decided not to merge the scopes of IP-I and DCIP, what changes/ modifications are required to be made in the financial conditions of -**
- (a) DCIP authorisation as recommended by TRAI in August 2023**
 - (b) IP-I authorisation under the Telecommunications Act, 2023 with respect to the extant IP-I registration?**

Please provide a detailed response with justification.

ACTO's response:

No Comments.

Q25. In case it is decided to introduce a new authorisation under Section 3(1)(b) of the Telecommunications Act, 2023 for establishing, operating, maintaining or expanding in-building solution (IBS) by any property manager within the limits of a single building, compound or estate controlled, owned, or managed by it, then-

(a) Whether there is a need to have financial conditions associated with such an authorisation?

(b) In case your response to the above is in the affirmative, then what should be financial conditions for such an authorisation?

Please provide detailed response with justification.

ACTO's response:

No Comments.

Q26. Whether there is a need to change/ modify any of the financial conditions of the IXP and CDN authorisations from those recommended by TRAI on 18.11.2022? If yes, please provide a detailed response with justification(s).

ACTO's response:

No Comments.

Q27. Whether there is a need to change/ modify any of the financial conditions of the Satellite Earth Station Gateway (SESG) authorization from those recommended by TRAI on 29.11.2022? If yes, please provide a detailed response with justification(s).

ACTO's response:

No Comments.

Q28. In case it is decided to introduce a new authorisation for establishing, operating, maintaining or expanding satellite communication network under Section 3(1)(b) of the Telecommunications Act, 2023, then, what should be the financial conditions for such authorisation?

ACTO's response:

No Comments.

Q29. In case it is decided to introduce an authorisation under Section 3(1) of the Telecommunications Act, 2023 for establishing, operating, maintaining or expanding ground stations, which may be used to provide Ground Station as a Service (GSaaS), then:

(a) Whether there is a need to have financial conditions associated with such an authorisation?

(b) In case your response to the above is in the affirmative, then what should be financial conditions for such an authorisation?

Please provide detailed response with justification.

ACTO's response:

No Comments.

Q30. In case it is decided to introduce an authorisation under Section 3(1)(b) of the Telecommunications Act, 2023 for establishing, operating, maintaining or expanding cloud-hosted telecommunication networks, which may be used to provide telecommunication network as a service to the authorised entities under Section 3(1)(a) of the Telecommunications Act, 2023, then:

(a) Whether there is a need to have financial conditions associated with such an authorisation?

(b) In case your response to the above is in the affirmative, then what should be financial conditions for such an authorisation?

Please provide detailed response with justification.

ACTO's response:

No Comments.

Q31. For Mobile Number Portability Service authorisation under Section 3(1)(b) of the Telecommunications Act, 2023, should the amount of entry fee and provisions of bank guarantees be:

(a) kept same as per existing MNP license.

(b) kept the same as recommended by the Authority vide its Recommendations dated 19.09.2023

(c) or some other amount/ provisions may be made for the purpose of Entry Fee and Bank Guarantees.

Please support your response with proper justification.

ACTO's response:

No Comments.

Q32. For Mobile Number Portability Service authorisation under Section 3(1)(b) of the Telecommunications Act, 2023, whether there is a need to review/ modify:

- (a) Definition of GR, AGR, ApGR
 - (b) Rate of authorisation fee
 - (c) Format of Statement of Revenue Share and License Fee
 - (d) Norms for the preparation of annual financial statements
 - (e) Requirement of Affidavit
- Please provide your response with detailed justification.

ACTO's response:

No Comments.

- Q33. What financial conditions should be made applicable for the migration of the existing licensees/ registration holders to the relevant new authorisations under section 3(1) (b) of the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**

ACTO's response:

No Comments.

- Q34. In case it is proposed for introducing certain new authorisations to establish, operate, maintain or expand telecommunication networks under Section 3(1)(b) of the Telecommunications Act, 2023, what should be the respective financial conditions for each of such authorisation(s)? Please provide a detailed response with justifications in respect of each network authorisation, separately.**

ACTO's response:

No Comments.

- Q35. What should be the financial conditions for the merger, demerger, acquisition, or other forms of restructuring of the entities holding network authorisations under Section 3(1)(b) of the Telecommunications Act, 2023? Please provide a detailed response with justifications in respect of each network authorisation.**

ACTO's response:

No Comments.

- Q36. In case it is decided to club the scopes of certain authorisations to establish, operate, maintain or expand telecommunication networks into a single network authorisation under Section 3(1)(b) of the Telecommunications Act, 2023, then, what should be the financial conditions for such authorisations? Please provide a detailed response with justifications for each network authorisation, separately.**

ACTO's response:

No Comments.

Q37. Whether there are any other issues/ suggestions relevant to the fees and charges? The same may be submitted with proper explanation and justification.

ACTO's response:

No Comments.