

Issue 1: The definition as provided in section 2.1.6 is partially correct in order to avoid any doubts to the definition it is recommended that the following we applied :-

MVNO license is an entity that does not have assignment of spectrum for access service but can provide wireless (mobile) access service to customer by sharing the spectrum of the access provider (UAS/CMTS Licensee) wherein the access provider (UAS/CMTS Licensee) also acts as a wholesaler of air time to the MVNO licensee, which markets itself to user just like an independent operator.

Issue2: We think that it has been long overdue. The MNO's are involved in customer acquisition and industry churn is quite high. Churn is an indicator of customer dissatisfaction.

By allowing MVNO's, the MNO's will reduce churn as the MVNO will be focused & servicing a much smaller set of customers. Customer issues & complaints can be dealt with quickly & efficiently as the escalation matrix will have fewer layers. The product offering can be made more specific to the niche' segment.

Issue3: MVNO's should be allowed to be a "full MVNO" as described in the consultation paper. It is important to provide serious players, the ability to provide the full benefit of technology to its customer. Anything less than that may result in dilution of the value proposition of the MVNO.

Issue4: (I) The regulatory model that currently exists for the MNO will automatically transfer to the MVNO. Therefore it is suggested that the MNO's work with the MVNO on implementing the regulation & a separate set of regulation need not apply to the MVNO.

(II) The obligations on an MNO needs to be carefully weighed. A lot of investment goes into the setting up of an MVNO by the MNO. It is therefore important that the MNO does not get weighed down by further obligations. There should be an entry barrier that can be decided by the MNO. The barrier could be in the form of guarantee that the incumbent MVNO would have to give to the MNO.

Issue 5 : The eligibility criteria for MVNO should focus on the following :

- I) Ability to service a large customer base.
- ii) Prior telecom experience of at least 5 years
- III) Minimum capital requirement of Rs.2 Crores
- IV) Minimum networth of Rs. 5 Cr of the promoter
- V) Ability to furnish a minimum of Rs. 2 Crores as BG.
- VI) Proven access to a large customer base

Issue 6: The eligibility criteria should remain the same with the focus remaining on the bank guarantee amount. It is important that only serious entrants are entertained, else it will lead to a lot of resources getting misutilized at the MNO end during the initial application & selection MVNO.

Issue 7: In our opinion, there should be an upper cap on the number of MVNO's an MNO can have. It is important that the MNO provide quality service to the MVNO that will further ensure better service delivery to the customer. An MNO having larger base of MVNO will have to make large investment on infrastructure to ensure service delivery. Also by putting a cap will ensure that only high quality MVNO's are present with the MNO.

Issue 8: We would need more clarity on this & currently we would like to reserve our comment.

Issue 9: The service obligation of MVNO will cover customer acquisition, customer management & service provisioning.
As the MVNO becomes a full MVNO, call quality should also get covered.

Issue 10: The MVNO should agree to a minimum purchase amount from MNO. Once the MNO is agreeable to that figure, then the issue of entree fee itself should not arise.

It should be viewed as a commercial whole sale transaction between the two parties. If the MNO and the MVNO mutually agree on an amount & the MVNO has furnished the BG, on the basis of that, the MVNO should be allowed in.

Issue 11: In order to assess the incidence of AGR, it is our opinion that the AGR amount gets charged on the revenue figure of the MVNO. The amount of AGR payable by the MVNO should not include the AGR of the MNO.

Issue 12: (1) In case of a dispute between MVNO & MNO the first right to hand over the customer to any interested party should vest with the MVNO. In a situation where there is no buyer, then the MNO can take over the subscriber base of the MVNO.

Issue 13: In our opinion, there should not be any roll out obligation for the MVNO

Issue 14: An MVNO should be governed by an FDI limit as is currently applicable in the telecom industry.

Issue 17: There should not be any requirement of a PBG as an MVNO will not have any rollout obligation the FBG should be an amount equivalent to 3 months of average revenue. The estimate revenue amount should be calculated in accordance with the commitment drawn up between the MVNO & MNO.

Other observations

It is recommended that an effective dispute redressal mechanism be set up to address any issues that may arise between the MVNO and the MNO. This could take the form of a tribunal, composed of senior officials from the industry.