



COMMENTS BY PURSUITEX ADVISORY SERVICES, LLP

Consultation Paper on Review of Scope of Infrastructure Providers Category-I (IP-I) Registration

INTRODUCTION

Pursuitex favours the increase of scope of Infrastructure Providers to the Open Network model where infrastructure is available to all market participants on fair and equitable terms. As is evident from the 3 layers identified by the European Commission in its Digital Single Market strategy – the Layer 3 is the consumer facing layer.

Revenue share payable by Service Providers to licensor for accessing millions of end customers is different from the infrastructure that is utilized to build the access networks. As in the case of most digital services today, it is important to allow the B2B level infrastructure services (both active and passive) to be offered by infrastructure builders.

Both the IP-1 and Wholesale operators should be permitted to offer their facilities and infrastructure to those who want to build retail and consumer businesses on them. The differentiators for these end customer operators would be superior service, newer digital solutions and value addition on the edge.

Our comments against each question raised for consultation are furnished below.

Q.1) should the scope of Infrastructure Providers Category – I (IP-I) registration be enhanced to include provisioning of common sharable active infrastructure also?

Response:- Yes. The scope of services under registration of IP-1 should be enhanced to include provisioning of all common sharable infrastructures both passive and active. The National Digital Communication 2018 (NDCP-2018) has also enhancement of scope of IP-I registration to

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expedite creation of robust digital communication infrastructure to support technological advances and acceleration of rollout of digital services.

In our view, IP-I players have expertise and in-depth experience in rolling out resilient and robust telecom infrastructure across geographies including the remotest, rural and hilly areas. Further, this policy change will bring a large number benefits to all stakeholders. It will create a separate layer of Wholesale and B2B kind of telecom service which will be vital for improving the overall financial health of the sector.

Q. 2) In case the answer to the preceding question is in the affirmative, then

i) What should be common sharable active infrastructure elements which can be permitted to be owned, established, and maintained by IP-I for provisioning on rent/lease/sale basis to service providers licensed/ permitted/ registered with DoT/ MIB? Please provide details of common sharable active infrastructure elements as well as the category of telecommunication service providers with whom such active infrastructure elements can be shared by IP-I, with justification.

Response:-Access by the Layer 3 (or consumer facing service providers) to world class capabilities and infrastructure should be without restrictions. The enhanced IP-1 service providers should be allowed to own and operate the latest passive and active elements. We maintain that to encourage a competitive mature market (Telecom services were opened up for private participation way back in 1994 and are today at a mature stage) it is not necessary to impose any restrictions on provisioning of infrastructure for lease/rent /sale. We consider that all infrastructures which are required for providing Telecom facilities should be allowed to be owned and maintained by IP-1 with equal market access for anyone wishing to access end customers.

Details of equipment sharable under active infrastructure should cover all of the below but not restricted to these alone.

1. Antenna and its ancillaries
2. Base Station (being used across all technologies – comprising both present & future)
3. In-Building Solutions
4. Wi-Fi Access Points

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5. Radio Access Network
6. Transmission System
7. Network Management System

ii) *Should IP-I be allowed to provide end-to-end bandwidth through leased lines to service providers licensed/ permitted/ registered with DoT/ MIB also? If yes, please provide details of category of service providers to it may be permitted with justification.*

Response:- Yes, the enhanced scope of the IP-I services should be allowed to provide end to end bandwidth to all Service Providers licensed/ permitted/ registered with DoT/MIB/Meity/ any other Department of the Government.

All the service providers as highlighted in the paper as well as National Long Distance Players, ISPs may be considered.

iii) *Whether the existing registration conditions applicable for IP-I are appropriate for enhanced scope or some change is required? If change is suggested, then please provide details with reasoning and justification.*

Response:- We are of the view that the present IP-1 conditions are covering all aspects even for the enhanced scope of services as IP-I role is to create common sharable infrastructure in a non-discriminatory manner to all service providers who will utilize the Infrastructure for delivering last mile applications, services and customer reach.

Any compliance requirement shall be met in line with Service Provider's license / permission/ registration. Further, The IP -1 service providers shall be permitted to sharing of infrastructure not only to Telecom Service Providers but also to other service providers like cable operators, MSOs, Electricity Boards etc. who have created infrastructure but do not have any license or IP-I registration. Similarly IP -1 licenses shall be permitted to avail the infrastructure and dark fibre laid by other service providers like SEBs ,MSOs and Cable operators who do not have any license or IP -1 registration

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iv) *Should IP-I be made eligible to obtain Wireless Telegraphy Licenses from Wireless Planning and Coordination (WPC) wing of the DoT for possessing and importing wireless equipment? What methodology should be adopted for this purpose?*

Response:-Yes we agree that for ensuring the success of enhanced services by IP-1 they should be eligible and free to import wireless equipment and commission them for service and operation. WPC should continue to approve the appropriate licenses required for commissioning and installing of such equipment for the enhanced scope of IP-1.

It is further suggested that suitable clause may be added in the IP-I registration enabling IP-I to import necessary equipment seamlessly for the purpose of common sharable infrastructure.

v) *Should Microwave Backbone (MWB) spectrum allocation be permitted to IP-I for establishing point to point backbone connectivity using wireless transmission systems?*

Response:-Yes IP-1 should be permitted to establish point-to point backbone connectivity as this is just another method to extend bandwidth, connectivity and continues to be a bottleneck area today. IP-1 should be allowed to expand and increase their reach through this. This will facilitate faster rollout active infrastructure at competitive prices. Microwave Backbone (MWB) spectrum allocation should be permitted to IP-1 for establishing point-to-point connectivity using wireless transmission systems. This will bring efficiency in cost and resources and there will be multiple benefits for the providers and users. The allocation of carriers should be done administratively in line with TRAI recommendations.

Q. 3) In case the answer to the preceding question in part (1) is in the negative, then suggest alternative means to facilitate faster rollout of active infrastructure elements at competitive prices.

Ans. Not applicable

Q.4) *Any other issue relevant to this subject*

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Response:-It is important that our policy makers and regulators start treating the telecom sector as a mature industry (after over 25 years of opening the sector for private participation and nearly 1 billion users today). Network service providers have understood the market well. Infrastructure providers are able to anticipate the latest technology and requirements of end service providers. It is important to really move to a light touch regulation that allows market players to offer the best services to consumers –as this is not just an end user service but an enabler for the economy. The regulatory regime should provide stability, open and fair access to the end consumers of IP-1 infrastructure and incentivize service providers to operate efficiently.

We applaud and congratulate the TRAI in bringing out this consultation paper. This paper is quite relevant when seen in the perspective of de-licensing, bringing down entry barriers, ease of doing business and the make (Construct/Built) vs buy (Lease) decisions. Telecom is now a mature industry with investments of lakhs of crores. Oversight should keep anti-competitive and break down of services in mind. Infrastructure for telecom services impacts the entire economy and removal of the restrictions of IP-1 will contribute significantly to changes in the infrastructure development in telecom sector. TRAI should proceed with this Consultation in liberalizing the IP-1 Registration scope of services.

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