



**VIL Counter Comments to the TRAI Consultation Paper on
“Framework for Service Authorisations to be Granted Under the
Telecommunications Act, 2023” issued on 11.07.2024**

This is with reference to the TRAI Consultation Paper on ““Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023” dated 11.07.2024 and the comments from various stakeholders on this paper, as uploaded on TRAI’s website.

In this regard, we would like to submit our counter-comments as given below, for Authority’s kind consideration.

1. At the outset, we state that Authority has brought out various forward-looking topics like Authorisation with pan-India service area for all telecom services and clubbing of NLD and ILD service authorisation, which appears to be having the potential to hugely simplify compliances, reduce cost burden and improve ease of doing business and thus, could be beneficial for all stakeholders viz. Licensees, Government and consumers.
2. At the same time, we reiterate our view and also agree with comment from various stakeholders seeking careful and comprehensive consideration of the said topics, as such topics would bring in wide-sweeping changes to licensing landscape and related compliance costs. As licensing landscape and related costs and compliances are also responsible for determining the competitive dynamics for all participants hence, such wide-sweeping changes can alter the course of a particular market in entirety. Therefore, while such changes may appear to be beneficial for the stakeholder(s), we strongly urge that no wide-sweeping changes should be recommended unless they are comprehensively consulted and deliberated, including their all linked sub-topics and impact to the market and its structure.
3. Further, one of the stakeholders has mentioned that under the definition of “authorisation” in Section 2(d) of the Telecommunications Act, 2023 (reproduced below), even the current License is an authorisation. Therefore, there may be no need to change the form or term from Licenses to some other name or form, unless there are clear objectives which will benefit the stakeholders i.e. users, overall economy, sector and the nation, without impacting the market or its structure. VIL too in its submission has stated that even at present an “authorization” structure is followed for Unified Licensees. We reiterate that the framework should not change the current structure of a bilateral contract.

“authorisation means a permission, by whatever name called, granted under this Act for—

- (i) providing telecommunication services;*
- (ii) establishing, operating, maintaining or expanding telecommunication networks; or*
- (iii) possessing radio equipment”*



4. The current licensing framework with separate service wise authorizations is well-established and well understood and is the outcome of significant organic evolution and adaptation to industry's needs and regulatory challenges.
5. **Therefore, we strongly recommend that as a first step, the existing framework should be brought in line with the provisions of the Telecommunications Act and no wide-sweeping or structural changes should be considered under this consultation. It is emphasized that the present contractual nature of the arrangements should continue.**
6. **Unified Service Authorisation at National level for the provision of end-to-end telecommunication services with pan-India service area under the Telecommunications Act, 2023:**
 - a. We would like to reiterate that an LSA-based licensing model, which has been in place for several decades is well accepted and understood and accordingly, the entire licensing and regulatory framework has been developed around the same LSA-based licenses. While the provision of end-to-end telecommunication services with pan-India service area, appears to be contextually beneficial however, it requires detailed assessment of all linked licensing and regulatory areas, with its impact assessment to the costs & revenue structure, compliances, market dynamics and its structure.
 - b. One of the stakeholders has submitted that **prima facie, the idea of having a Unified Service Authorisation on the National Level seems to be very efficient. It would entail breakdown of 22 LSAs and allow the TSPs to carry out any and all telecom-related activities without any LSA or service specificity. It may ease the compliance burden on TSPs, flexibility in respect of designing the network, and do away with legacy call routing systems and interconnection.** The stakeholder also submitted that the paper does not give any clarity in respect of the actual implementation of the idea, due to which it is difficult to provide a comprehensive view and they also believe that holistic deliberation is required on all aspects of the issue before moving any further.
 - c. Another stakeholder has submitted that it needs to be factored in that the operators have made significant investments over the last 30 years in building up extensive networks and have designed all of their systems, business model, product offerings, etc. around the existing LSA-wise regime. The existing investments need to be adequately protected while considering any change in the regime.
 - d. Also, although the Government has modified the licensing framework to some extent from time to time, the basic structure of the regulatory framework in the form of service area, NLD, ILD, ISP, VSAT, etc. has never been changed. This has ensured continuity of service, protection of investments and regulatory stability. Above all, it has also kept customers safely insulated from any unwarranted and large-scale disruptions.



- e. Another stakeholder has submitted that to make any decision on whether or not a unified service authorisation at the national level for end-to-end telecommunication services with a pan-India service area should be introduced, the Consultation paper should have at least placed following aspects for consultation, i.e. Market impact Analysis, Monopoly concerns, Service Coverage, Affordability to Consumers, Basic framework of licensing/authorisations and its objectives.
- f. We reiterate our comments and agree with the above-mentioned views of stakeholders. We believe that though Pan-India telecom license may offer significant opportunities but it may also have its own set of challenges and to make an informed decision of introducing such a wide sweeping transition from existing framework, various factors like regulatory compliances, operational complexities, competitive landscape, economies of scale, risk management in terms of network outages, QoS concerns, and regional economic fluctuations need to be considered in detail.
- g. **Hence, we submit that such a step of introducing a Unified Service Authorisation at National level for the provision of end-to-end telecommunication services with pan-India service area under the Telecommunications Act, 2023 should only be considered after coming out with a separate detailed consultation also providing adequate time period for assessment and comments.**

7. Enhancement in the scope of Internet Service authorisation

- a. In this regard, we reiterate our views and also agree with submission made by the stakeholders that:
 - i. There is no case for including the provision of leased circuits/ Virtual Private Networks in the scope of Internet Service Authorisation and doing so will severely adversely impact the financial viability of long-distance authorizations such as NLD.
 - ii. Currently Access and National Long-distance service providers are permitted to provide these services within the defined geographies. Allowing the ISP to provide the same will be detrimental to the current Access and National Long-distance service providers interest who have invested significant money to create the required infrastructure. They are still to recover their costs.
- b. **Hence, we strongly urge the Authority not to include VPN and Leased circuits, which are part of other authorisations/license, into ISP services. The ISPs are free to take respective Access/NLD/ILD authorisations for providing such services.**

8. New Authorisation Category



- a. Some of the stakeholders have submitted that a new sub-category of service authorisation should be introduced under the main authorisation category of Satellite-based Telecommunication Service. The sub-category may be named "Citizen safety-related mobile satellite services".
- b. In this regard, we do not agree with the need of introducing a new sub-category of service. We strongly urge against carving out sub-categories of authorisations based on niche use-cases which may often be short-lived and limited to few/certain entities. This would not only create scope for arbitrage leading to non-level playing field, but will destroy the basic fabric of a robust and future-fit licensing/authorisation framework. Such niche use cases should be permissible only under the existing authorisation categories and not through a separate authorisation.
- c. **We recommend that no separate sub-categories should be carved out and the entities intending to provide such services, should do so by taking relevant on-date main authorisations thereby meeting all requisite compliances and terms and conditions.**

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