

VIL/P&O/TRAI/AK/2024/133 November 19, 2024

Advisor (Networks, Spectrum and Licensing) Telecom Regulatory Authority of India, 4th, 5th, 6th & 7th Floor, Tower-F, World Trade Centre, Nauroji Nagar, New Delhi – 110029

Kind Attn: Shri. Akhilesh Kumar Trivedi

Subject: Comments on the TRAI's Consultation Paper on "The Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023" dated 22.10.2024

Dear Sir,

This is in reference to the TRAI's Consultation Paper on "The Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023" dated 22.10.2024.

In this regard, kindly find enclosed herewith our comments on the above-said consultation paper.

We hope our comments will merit your kind consideration please.

Thanking you,

Yours sincerely,

For Vodafone Idea Limited

Ambika Khurana Chief Regulatory and Corporate Affairs Officer

Enclosed: As stated above

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VIL Comments to the TRAI Consultation Paper on the <u>"The Terms and Conditions of Network Authorisations to be Granted Under</u> <u>the Telecommunications Act, 2023"</u> issued on 22.10.2024

At the outset, we are thankful to the Authority for giving us this opportunity to provide our comments to the TRAI Consultation Paper on "The Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023" issued on 22.10.2024.

Kindly find below our question-wise comments for Authority's kind consideration:

Question-wise Comments

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.

And

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.

And

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.

VIL Comments to Q1, 2 and 3.



- 1. 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:
 - a. The lines between the traditional telecom infrastructure (such as towers, ducts, and cables) and modern digital infrastructure (such as broadband networks, fiber, and 5G) are increasingly blurring. As digital connectivity becomes a central part of telecommunications infrastructure, merging the two authorizations into one unified framework under the Act will provide a seamless approach to managing and deploying both physical and digital infrastructure.
 - b. Further, it is pertinent to note that IP-1s have been providing telecom infrastructure to the TSPs for years and their scope can be extended to include the DCIP scope.
 - c. In our view, merging the two authorizations will streamline the regulatory framework and ensures consistency across the entire infrastructure sector, ensuring that all infrastructure providers are held to the same standards and applicable conditions. It will also offer greater flexibility to respond to changing market dynamics and technological advancements, as there will no longer be two separate regulatory frameworks with different requirements for similar infrastructure.
 - d. Hence, we submit that scope of IP-Is should be merged with the scope of the 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.
- 2. Eligibility conditions for the grant of the merged authorisation: The authorization of DCIP should be on non-exclusive basis without any restriction on the number of entrants.
- 3. Area of operation of the merged authorisation: The service area for the merged authorization may be at the National Level.

4. Validity period of the merged authorisation:

- a. As per the existing licensing framework in India, access spectrum is assigned to access service licensees with a validity period of 20 years. In the instant case, the infrastructure provided by the IP-1 players is utilized by these access service licensees to provide their services to end users.
- b. The planning and deployment of telecom networks is a multi-year process and it also puts huge CAPEX and OPEX pressure on the telecom operator. Once this is done, the TSP utilizes the following years to provide enhanced services to its consumers and also get return on



investments. Hence, there has to be a substantial period certainty in the authorization of an IP-1/DCIP as well.

c. Considering the above, we suggest that the validity period of the merged authorization is in line with the period of telecom licenses so that it provides adequate time for ecosystem penetration, network planning and deployments as well as substantial period for providing commercial services through the deployed networks thus, enabling adequate certainty to a TSPs business plans. Hence, the validity period of the merged authorization should be 20 years.

5. Scope of the merged authorisation:

 a. TRAI vide its recommendations on 'Introduction of Digital Connectivity Infrastructure Provider (DCIP) Authorization under Unified License (UL)' dated 08.08.2023 Defined the scope of DCIP as below:

Scope of the DCIP Service: Scope of this Authorization covers the following: 2.1 The authorization of DCIP shall be on non-exclusive basis without any restriction on the number of entrants.

2.2 The scope of the DCIP authorization includes to own, establish, maintain, and work all such apparatus, appliance, instrument, equipment, and system which are required for establishing all Wireline Access Network, Radio Access Network (RAN), Wi-Fi systems, and Transmission Links. However, it shall not include spectrum and core network elements such as Switch, MSC, HLR, IN etc. The scope of the DCIP license also includes Right of Way, Duct Space, Dark Fiber, Poles, Tower, Feeder cable, Antenna, Base Station, In-Building Solution (IBS), Distributed Antenna System (DAS), etc. within any part of India. The scope of DCIP authorization does not include provisioning of end-to-end bandwidth using transmission systems to any customer or for its own use. However, DCIP will be allowed to install wired transmission link (but not wireless) to connect to its own BBU (Baseband Unit)/RU (Radio unit)/Antenna.

- . .
- b. We are ok with the above scope recommended by TRAI and submit that entities under DCIP authorization should provide applicable infrastructure to all service providers in a fair and nondiscriminatory manner. In addition to this, DCIPs should be bound to lease/rent/sell their infrastructure to TSPs only.
- c. To be more effective and for unlocking the potential sharing opportunities, the entities under the new merger authorization shall be allowed to procure the active equipment like RAN etc. which are allowed for active sharing between TSPs. This will lead to creation of cost-effective infrastructure by an operator-agnostic neutral host which can be shared by all the TSPs



reducing the CAPEX required due to shared active infrastructure. Also, the revenue exchanged for such sharing should be excluded from application of License Fees.

d. Further, entities holding the merged authorization should be bound to lease/rent/sell their infrastructure only to the TSPs. The same is required to restrict tie ups with non-authorised entities as this has caused a monopoly kind of situation (in case of airports, underground metros, malls etc. in the past) resulting in huge cost to TSPs and in turn affecting services to the public. Hence, needless to say, this infrastructure can and should be established only on behalf of TSPs to ensure non-exclusive, non-discriminatory access to all TSPs.

6. Terms & conditions (general, technical, operational, security etc.) of the merged authorisation:

- a. We submit that the scope of the merged authorization should allow them to provide services ONLY to authorized access service providers. Such entities holding this merged authorization should also comply with various guidelines related to Security and Data Privacy, and the Quality of Service (network uptime etc.) related requirements, as applicable. Since the network is built and maintained by such entities, and access service providers are using the same network to provide the services, having the QoS requirements on the DCIP will help incentivize the availability of better network to the end user.
- b. Further, the entities under the merged authorization should be responsible for the equipment security and procurement of MTCTE certified equipment from trusted sources while acquiring such equipment in line with the requirements on the TSPs.
- c. Most importantly, we would also like to highlight that such entities under the merged authorization should not be allowed to obtain MWB spectrum allocation, under the scope of their license and any spectrum allocation should continue to be restricted to eligible service authorizations only.

Q4. (a) Which telecommunication equipment/ elements should be included in the ambit of 'inbuilding 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.

VIL Comments to Q4.

1. Introduction of new authorization for Property Manager:



- a. Due to constant development in the landscape and skyline of the cities, in-building coverage cannot be ensured during the design, planning and deployment stages of the network through macro coverage. The areas or buildings which were well covered at one point of time start facing severe connectivity issues as soon as a new building (high rise) comes up in that area creating issues in the areas shadowed by the new building. This is a major issue in providing a quality network considering the issues faced by TSPs in acquisition of suitable sites and infrastructure creation in the cities.
- b. Earlier, the mobile coverage was mostly provided by telecom operators by installing mobile towers in and around a given locality which caters to streets and buildings within that locality. However, due to increase in density of the buildings, thick walls, height of the buildings, multiple obstructions etc. the mobile signals are not able to penetrate the buildings adequately, particularly in basements and underground parking areas. This has become increasingly pronounced with the explosion of data usage which is exponentially more demanding on the networks than voice connectivity.
- c. Furthermore, since almost 70% to 80% of the communication occurs indoors i.e. within the building, it also leads to capacity-related concerns wherein the currently available network capacity is often not enough to cater to the multiple users inside, simultaneously using resource-hungry applications like conferencing and streaming.
- d. Considering the above, VIL in its comments on the consultation paper on "Rating of Buildings or Areas for Digital Connectivity" issued on 25.03.2022, had submitted that there should be a new ecosystem which should unlock the role of property managers for creation of DCI and improving experience for the end users. Further, the Property Manager should hold the ownership and be responsible for deployment of DCI for their respective project (to the extent permissible under Government/DoT and regulatory norms).
- e. TRAI also, post the detailed consultation process on the subject, recently issued the regulation on "Rating of Properties for Digital Connectivity Regulations, 2024" on 25.10.2024 wherein it has stated various obligations for Property Managers.
- f. Considering all above, while there is a definite role for a property manager, this requirement should be subsumed into the merged IP-1/DCIP authorization, which includes IBS in its scope, where such property managers can either take merged IP-1/DCIP authorization or collaborate /tie up with an IP-1/DCIP. The terms and conditions as well as obligations would be those applicable to IP-1/DCIP. Also, as recommended by TRAI in "Rating of Properties for Digital Connectivity Regulations, 2024" issued on 25.10.2024, such authorization should mandate that no property manager shall enter into an exclusive or tie-up arrangements with any service provider for providing access to its digital connectivity infrastructure in their property.



2. Inclusion of telecommunication equipment/ elements in the ambit of 'in-building solution' (IBS):

- a. Traditionally, passive DAS systems are used for in-building coverage. Such Passive DAS system has no active components, which means that the RF signal is distributed from the signal source around the building with devices that require no electricity, just combinations of coaxial cable, splitters, diplexers and antennas to distribute the signal.
- b. Passive IBS Solutions provide coverage from the signal source location which can be limited due to RF power loss through the system and may not be sufficient for very large buildings. While the passive DAS is ok for coverage extension however, upgrades, troubleshooting in case of issues and extensions is often complex. With technologies like 5G requiring MIMO coverage, upgradation of passive DAS often requires complete swap.
- c. Active DAS is a more suited solution for complex, sprawling high-traffic areas like airports, stadiums and convention centers. Active DAS systems often use fiber optic cable to distribute signal between a centralized signal source and "remote nodes" placed around a building. The signal source is typically a "head-end" that combines signals from multiple carriers, which each need to provide their own signal source to the system, typically via their own fiber backhaul. As DAS installations gets bigger and more sophisticated, they need to be controlled and monitored remotely. This capability is made possible by active equipment at both remote and Head-End locations connected via fiber.
- d. Hence, we would like to submit that the telecom equipment under the ambit of IBS shall include the Active DAS components like Remote RF heads, baseband in addition to the passive DAS elements like Fiber Cable, coaxial cable, splitters, duplexers and antennae.

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.

VIL Comments to Q5.

 TRAI, in its Recommendations dated 18.11.2022 on Content Delivery Networks (CDN) for the consultation paper on "Regulatory Framework for Promoting Data Economy Through Establishment of Data Centres, Content Delivery Networks, and Interconnect Exchanges in India" recommended the registration framework for them through a simple online registration process. Some of the key TRAI recommendations on such regulatory framework are reproduced below:



- a. **Purpose of CDN Authorization:** Aims to formalize the operation of CDNs in India through a structured regulatory framework, recognizing the growing role of CDNs in delivering internet content, reducing latency, and optimizing bandwidth. It also emphasizes the role of CDNs in ensuring efficient content delivery across geographically diverse regions.
- b. Eligibility Conditions: The entities looking to operate CDNs should be registered with the DoT rather than undergoing a complex licensing process. Both domestic and foreign companies operating in India can be eligible, provided they adhere to specified data localization and security requirements.
- c. **Scope of CDN Authorization** CDNs are permitted to deliver content from geographically distributed servers, facilitating content caching and distribution close to end-users. The primary focus of CDNs is to optimize the delivery of content, reduce server load, and improve end-user experience by caching content at various PoPs. The CDN framework supports diverse applications, including video streaming, real-time content delivery (e.g., news and sports), cloud gaming, social media, and business applications.
- d. **No License Fees -** Considering that CDNs do not typically provide end-to-end communication services, TRAI recommended a light-touch registration without traditional license fees.
- e. **Terms and Conditions** TRAI suggested data localization requirements for CDNs to ensure that sensitive content, especially user data, is stored within India as per the country's data protection laws. CDNs should have the ability to interconnect with Internet Service Providers (ISPs) and Internet Exchange Points (IXPs) to facilitate efficient traffic management and reduce reliance on international bandwidth. TRAI recommended standards to ensure high-quality content delivery and consistent performance levels. CDNs should adhere to cybersecurity protocols to protect data, prevent breaches, and ensure secure data transmission.
- f. Validity Period of Authorization: A 10-year validity period was recommended for CDN authorization, with the possibility of renewal, providing operational stability and encouraging infrastructure investment.
- g. **Regulatory Oversight and Compliance:** TRAI recommended that CDN providers submit periodic performance and compliance reports to maintain transparency. CDNs must comply with national laws, especially regarding data protection and security, ensuring alignment with India's regulatory standards.
- h. **Global Interoperability:** TRAI highlighted the need for CDN authorization to facilitate interoperability with global CDN providers, ensuring Indian CDNs can integrate seamlessly with global networks to support international content distribution.
- 2. We support the above recommendations of TRAI and would like to further suggest:



- a. The large content providers and OTT platforms, should be required to set up their own CDN infrastructure under specific regulatory conditions, especially for regions where they have high user traffic.
- b. The content providers with significant demand should be required to cache data closer to their user base, reducing latency and improving user experience.
- c. Efforts should be made to ensure a more decentralized and dispersed CDN infrastructure, to not only improve user experience but also reduce the load and congestion on telecom networks.
- d. We suggest implementation of data-sharing transparency guidelines which would require CDNs to provide clear information on data flow and interconnection with TSPs/ISPs. The same will help in addressing monopolistic practices, if any and ensuring fair competition.
- e. TRAI should mandate minimum redundancy and disaster recovery requirements for CDN PoPs, particularly for those supporting critical sectors like finance, healthcare, and e-governance since ensuring reliable service for critical applications is vital, especially with the rise of fintech and telemedicine.
- f. TRAI may like to recommend introduction of operational guidelines for CDN operators to collaborate with ISPs for efficient bandwidth utilization, incentivizing them to use regional IXPs instead of routing data internationally. The collaboration between CDN operators and ISPs will help optimize bandwidth and reduce data costs. NIXI (National Internet Exchange of India) has regional IXPs that CDN operators like Cloudflare or Fastly could leverage for better content delivery within India.
- g. In case of any sensitive data passing through CDNs, robust security measures are essential.
 Hence, inclusion of mandatory encryption standards and quarterly security audits, especially for CDNs handling sensitive data would be desirable.
- h. All major TSPs with extensive network infrastructure, already have vast Points of Presence (PoPs) and data centres, which could be optimized to host CDN infrastructure more efficiently and at scale.
- i. Arrangements between the TSPs/ISPs and CDN providers should be left to mutual commercial agreements.

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.

VIL Comments to Q6.

- 1. There is a significant dependency on the IXPs presently, which would only increase going forward. The TRAI Recommendations dated 18.11.2022 on Interconnect Exchange Point (IXP) for the consultation paper on "Regulatory Framework for Promoting Data Economy Through Establishment of Data Centres, Content Delivery Networks, and Interconnect Exchanges in India" wherein the Authority observed that IXP model needs to be a sustainable model, both financially and trust wise to be viable in the long term, guided by local operating environments and market factors and evolving as the peering ecosystem matures.
- 2. The Authority recommended a detailed framework in the above-stated recommendations; however, we would like to submit the following additional changes in the same:
 - a. **Eligibility Conditions:** The eligibility criteria may be relaxed to allow more diverse types of entities to operate IXPs, including local ISPs, data center operators, content providers, and academic institutions with substantial internet traffic needs. Broadening eligibility can encourage regional ISPs, to set up IXPs to optimize traffic flow locally and reduce dependency on larger IXPs in major cities.
 - b. Area of Operation: Encourage IXP in underserved regions, particularly in Tier-2 and Tier-3 cities, to decentralize internet traffic management. In areas where internet infrastructure is not as developed, local IXPs can help manage data traffic efficiently and reduce latency for users. By incentivizing IXP setups in T-2/T-3 cities could reduce dependency on IXPs in Mumbai or Delhi, leading to lower data transit costs and improved regional internet performance.

c. Other Terms & Conditions:

- i. **General**: Enforce transparency in IXP operations, with requirements for IXPs to publish performance metrics, network health information, and details on peering agreements. This will ensure fair operations and build trust among IXP participants.
- ii. **Technical:** Set minimum standards for reliability, load balancing, and redundancy in IXP operations to ensure stability during peak traffic periods and mitigate the risk of service disruption; reducing the risk of downtime during high-traffic events like major streaming releases or live sports events.
- iii. **Operational:** Implement fair and open peering policies, especially in regional IXPs, to prevent monopolistic practices and promote fair access for smaller ISPs. Open peering



policies enable smaller ISPs to participate in data exchange without facing prohibitive costs.

iv. Security: Mandate stringent cybersecurity protocols, including regular audits and data protection standards, to safeguard data integrity and protect against cyber threats. IXP providers to be mandated to carry out regular security audits and follow industrystandard encryption practices to safeguard their data exchange operations and build trust among their clients.

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.

VIL Comments to Q7.

We would like to submit that there is no need to make any changes in any condition related to the Satellite Earth Station Gateway (SESG) authorisation, as recommended by TRAI on 29.11.2022.

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.

VIL Comments to Q8.

- 1. TRAI may consider introduction of 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.
- 2. However, no spectrum should be assigned under this new authorization. Any spectrum i.e. gateway-side spectrum and user terminal side spectrum, should be assigned to the eligible service licensees only. Also, entities with this authorisation should not be permitted to provide any kind



of telecommunication service or broadcasting service directly to the consumers, for provision of which, a separate license/ authorisation/permission is required from the Government.

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.

VIL Comments to Q9.

No comments.

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.

VIL Comments to Q10.

No separate authorization is required for cloud-hosted telecommunication networks. They are very well covered under the existing authorizations.

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.

VIL Comments to Q11.

There is no change required in the present terms and conditions of the Mobile Number Portability license and same should be continued under the Telecommunications Act, 2023.



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.

VIL Comments to Q12.

- 1. The above question being generic in nature, we submit that no wide-sweeping or structural changes should be considered under this question.
- 2. It is pertinent to note that these sections cover a wide range of crucial regulatory areas, including licensing, administration of licenses, infrastructure-related provisions, and telecommunication policy enforcement, dispute resolution, all of which require careful scrutiny and therefore, should be thoroughly examined and addressed through a separate consultation paper.
- 3. Hence, before considering any change, it is important to conduct a consultation with all stakeholders including TSPs. The changes should only be considered if there is a clear, demonstrated need based on current trends and operational realities within the telecom sector.

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.

VIL Comments to Q13.

Recognizing the onset and impact of convergence, we would like to submit that the Authority should strive to lay down harmonious terms and conditions across various authorizations and ensure fair competition and level-playing field.

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.

VIL Comments to Q14.

1. No changes should be made in the scope or other terms and conditions of existing authorizations 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 as they



support regulatory stability, investment certainty, market efficiency, consumer interests, and legal compliances. All these factors collectively contribute to a healthy and competitive telecom sector and make it capable to meet evolving technological and consumer demands effectively.

2. Also, the current M&A guidelines including limits on market share and spectrum caps are well defined and should continue. It should be ensured that as a result of merger, demerger, acquisition, or other forms of restructuring, the resultant entity should not hold Significant Market Power (SMP) in the relevant field/authorization.

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.

And

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.

VIL Comments to Q15 and 16.

 First and foremost, as per provisions of the new Act, migration of existing licensees to the new authorisation framework is a choice and not a mandate (direct or indirect). The clause 3.6 mentioned in the Chapter II – 'Chapter II - Powers of Authorisation and Assignment' of the Telecommunications Act, 2023, states as below:

(6) A licence, registration, permission, by whatever name called, granted prior to the appointed day under the Indian Telegraph Act, 1885 or the Indian Wireless Telegraphy Act, 1933, in respect of provision of telecommunication services or telecommunication network—

(a) where a definite validity period is given, shall be entitled to continue to operate under the terms and conditions and for the duration as specified under such licence or registration or permission, or to migrate to such terms and conditions of the relevant authorisation, as may be prescribed; or

2. The principle of no worse off should be ensured for the existing licensees and in no case, they should be disadvantaged when transitioning to a new licensing framework under the new framework. Such a practice will protect the interests of current licensees and ensure stability in the capital-intensive telecom industry during any transition to the new regime.



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.

VIL Comments to Q17.

In our view, there is no further need to introduce any new authorisation (other than the authorisations discussed above) to establish, operate, maintain or expand **telecommunication networks** under Section 3(1)(b) of the Telecommunications Act, 2023.

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.

VIL Comments to Q18.

- 1. In our view, any major changes to be carried out in the existing authorization/licensing framework and/or any authorizations to be removed/added, should be comprehensively and specifically discussed.
- 2. The above question being generic in nature, we submit that no wide-sweeping or structural changes should be considered under this question.

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.

VIL Comments to Q19.

- 1. In our view, any major changes/clubbing of scope of the existing authorization/license, it should be comprehensively and specifically discussed.
- 2. The above question being generic in nature, we submit that no wide-sweeping or structural changes should be considered under this question.



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.

VIL Comments to Q20.

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.

VIL Comments to Q21.

- 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. The agreements should be based on mutually agreed terms tailored to the needs of the involved entities. Even under the NSO/VNO construct, DoT has already laid down that such arrangements are subject to mutual commercial agreement. Hence, we believe that the same may be continued with.
- 2. Therefore, we recommend fostering voluntary collaboration and negotiations between entities, as this will better support the dynamic and evolving nature of the telecom sector and no reference agreement should be prescribed.

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

VIL Comments to Q22.

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/ChargePlease support your response with proper justification.

And

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.

VIL Comments to Q23 and 24.

- 1. Simplification of the licensing process and creation of a conducive environment for market growth, with robust licensing framework providing level playing field, should be a paramount objective while defining any new framework.
- 2. We strongly recommend that there should not be any License fee (LF) on DCIP licensees as they are only the facility providers and any imposition of LF would lead to increase in cost and the benefits of the sharing will fade away.
- 3. As such, levying LF on DCIP licensees would result in additional obligation on DCIPs which is already covered under license fees paid by TSPs on the said revenue. Also, not levying any License Fees on DCIPs will encourage and incentivize them and attract more players/investment in the sector.
- 4. TRAI has already provided its Recommendations on 'Introduction of Digital Connectivity Infrastructure Provider (DCIP) Authorization under Unified License (UL)' on 08.08.2023. In its recommendations, TRAI has addressed the above points of minimum equity and networth of the authorised entity, amount of application processing fees, PBG and FBG requirements, amount of entry fees and any other Fees/Charge, etc. and we hereby submit that the TRAI has suitably covered the same in its recommendations and the same shall be followed.

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.



VIL Comments to Q25.

- As provided in response to Q4, there is no need to introduce a new authorisation for property managers under Section 3(1)(b) of the Telecommunications Act, 2023 for establishing, operating, maintaining or expanding in-building solution (IBS) within the limits of a single building, compound or estate controlled, owned, or managed by it. Same should be covered under the merged IP-1 and DCIP authorization.
- 2. The financial conditions recommended by TRAI for the DCIP authorisation in its recommendations are kept at minimum with no requirements of Minimum Equity, Minimum Networth, PBG and FBG. The Entry Fee and the Application processing fee are also kept at a minimal level. Hence, it is submitted that the financial conditions made applicable for merged DCIP authorization be made applicable to any property manager establishing, operating, maintaining or expanding in-building solution (IBS) within the limits of a single building, compound or estate controlled, owned, or managed by it.

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).

VIL Comments to Q26.

Kindly refer to our comments to Q5 and 6 above.

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).

VIL Comments to Q27.

There is no need to change/ modify the following financial conditions of the Satellite Earth Station Gateway (SESG) authorization recommended by TRAI on 29.11.2022:

(a) Entry Fee: A non-refundable one-time Entry Fee of Rs. Ten lakhs (Rs. 1,000,000) shall be levied for the grant of SESG License.

(b) License Fee: As the SESG licensees will not provide any service directly to end customers, only a token License Fee of Re. 1 per annum shall be levied on the SESG License.

(c) Bank Guarantees: No Bank Guarantees (Performance Bank Guarantee or Financial Bank Guarantee) shall be obtained from the SESG Licensee.



(d) Processing Fee: In respect of the application for a grant of SESG License, a Processing Fee of Rs. Five thousand shall be levied. Further, a Processing Fee of Rs. Five thousand shall be levied in respect of every application for grant of permission to establish an additional SESG.
(e) Minimum Equity and Minimum Networth: There shall be no requirement of minimum equity and minimum networth in respect of SESG License.

(f) NOCC charges: No NOCC charges shall be applicable in respect of SESG License.

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?

VIL Comments to 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 a separate consultation process should be initiated for determination of financial conditions for such authorisation(s) once the scope under such authorization is clearly defined.

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.

VIL Comments to 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 separate consultation process shall be initiated for determination of financial conditions for such authorisation(s), once the scope under such authorization is clearly defined.

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.

VIL Comments to Q30.

The cloud-hosted telecommunication networks can be setup under the existing licensing /authorization framework as such, there is no need to have a separate authorization for the same. However, in case the Authority decided to introduce a separate authorization, then a separate consultation process should be initiated for determination of financial conditions for such authorisation(s), once the scope under such authorization is clearly defined.

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.

VIL Comments to Q31.

For the Mobile Number Portability Service authorization under Section 3(1)(b) of the Telecommunications Act, 2023, the amount of entry fee and provisions of bank guarantees may be kept same as recommended by the Authority vide its Recommendations dated 19.09.2023 i.e.

4.21 The Authority recommends that entry fee for MNP license should be reduced from Rs. 1 crore to Rs. 50 lakh.

4.27 The Authority recommends that for MNP license:

a. Financial Bank Guarantee and Performance Bank Guarantee should be merged into a single Bank Guarantee.

b. This Bank Guarantee should be submitted before signing the License Agreement, valid for one year.

c. For the initial year, the amount of Bank Guarantee should be 40 lakh. For the subsequent years, the amount of Bank Guarantee should be higher of 10 lakh or 20% of the estimated sum payable (of license fee for two quarters and other dues not otherwise securitized).

d. The Bank Guarantee should be subject to periodic review on six-monthly basis by DoT.

e. The above should be applicable for existing as well as new entrants.



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.

VIL Comments to Q32.

There is no need to change the conditions for Mobile Number Portability Service authorisation on the above points of Definition of GR, AGR, ApGR, Rate of authorisation fee, Format of Statement of Revenue Share and License Fee, Norms for the preparation of annual financial statements and Requirement of Affidavit.

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.

VIL Comments to Q33.

Kindly refer to our comments to Q15 and 16 above.

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.

VIL Comments to Q34.

Being a very generic question for consultation at this stage, we would like to submit that in case it is proposed to introduce certain new authorisations to establish, operate, maintain or expand telecommunication networks under Section 3(1)(b) of the Telecommunications Act, 2023, a separate consultation process shall be initiated for determination of financial conditions for each of such authorisation(s), once the scope of such authorization is clearly defined.

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.

VIL Comments to Q35.

Kindly refer to our comments to Q14 above.

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.

VIL Comments to Q36.

Kindly refer to our comments to Q19 above. Also, in such cases, it is to be ensured that level playing field is ensured with the existing licensees or the licensees not moving to new authorisations.

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

VIL Comments to Q37.

No comments.

x------x