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Summary of issues for consultation

Q1. Is there any need to introduce Cat –B VNOs in the sector?

Ans. Yes in order to encourage the migration of district level DID operators from non licensing regime to licensing regime introduction of this category of License is a welcome step.

- i. If yes, should the existing DID franchisees be mandated to migrate to UL (VNO) Cat-B based licensing regime? Do you foresee any challenges in the migration from franchisee regime to licensing regime?**
- ii.** This process has already commenced and the existing DID operators are already migrating. No problem is envisaged in migration. DOT has already given sufficient time to the DID operators. Even in the past the migration from Access service licenses to UL have happened. Even in the existing license the providing of services through Franchisee arrangement is allowed. But certain acts like issuing a bill directly to the customer are not allowed as these are considered as reselling of services. This will provide more flexibility to these operators.
- iii. If no, how DID franchisee can be accommodated in the existing licensing regime in the country?**

Does not arise in view of the above response

Q2. Based on the complexities discussed in Para 13-15 above, should the scope of UL (VNO) Cat-B licensee be limited to provide landline (voice) and internet services or should these be allowed to provide mobile service also?

Ans. The scope of the license should exclude Mobile services. But this should include IP category services as has already been allowed in its DOT circular dated 28.11.2016 advising the existing IP-I operators to migrate to licensing regime to provide active infrastructure and migration to VNO category B is given as one of the options. Sharing of passive infrastructure in fact is allowed as activity in the UL/UL(VNO) itself. Since UL is issued only along with taking at least one authorization, this will allow the IP-I category operators to reduce their cost of obtaining an authorization in case they wish to restrict their operations to District level. In fact all services which do not require spectrum and can be restricted to district level operations should be allowed to be provided under this category.

Q3. In case mobile services for such licensees are allowed, how the issues enlisted in Para 13-15 will be addressed? Please explain in detail.

Ans. The scope of this license should exclude mobile services otherwise it will be misused as was earlier done in the case of limited mobility. The mobile signal cannot be restricted to district level and the March of technology cannot be stopped. Therefore cellular mobile services should be kept outside the scope of this authorization.

Q4. Can the license duration for UL (VNO) Cat-B be kept 10 years which is at par with other licenses issued under UL (VNO) policy? If no, justify your answer.

Ans. Yes 10 years at a time should be fine

Q5. What should be Net worth, Equity, Entry Fee, PBG, FBG etc. for District level UL (VNO) Cat.-B licensee in case these are allowed for Wireline and Internet services only? Answer with justification

Ans. All requirements as mentioned in the interim guidelines be maintained..

Q6. What should be Net worth, Equity, Entry Fee, PBG, FBG etc. in case Cat.-B VNOs are allowed to provide mobile access service also? Please quantify the same with justification.

Ans. Mobile services should be kept outside the scope of the license .

Q7. Keeping in view the volume of business done by DID franchisees, what penalty structure be prescribed for UL (VNO) Cat 'B' licensee for violation of UL (VNO) Cat.-'B' license terms and conditions? Should the UL (VNO) Cat.-B licensees be treated equivalent to the existing TSPs/VNOs for meeting obligations arising from Tariff orders/regulations /directions etc. issued by TRAI from time to time?

Ans. The operators should be responsible to meet all regulations relating to tariff and QOS . However the provision of penalty under license for each non compliance should not be more than 5 lac for first default and on higher grade for repeated defaults. **For the operators who are providing the active infrastructure sharing under this license ,there should be n penalty provision as they are not directly dealing with the customers and their KPI's are based on the agreement signed with the TSP's.**

Q8. What QoS parameters shall be prescribed for UL (VNO) Cat.'B' licensees?

Ans. Same as are required to met by the circle wise VNO operator.

Q9. Based on the business and operational requirements as discussed in Para. 21 above, should UL (VNO) Cat. 'B' licensees be permitted to enter into agreement to hire telecom resources from more than one TSP in its area of operation for providing voice and internet services through wireline network?

Ans. YES. However, In the current VNO policy a VNO operator is allowed to become VNO of only one main operator where the numbering resources are involved. In case resources from multiple operators are allowed in this case then the same should also be allowed in the VNO access category as well.

The argument that resources from multiple operators will help in providing QOS is not sustainable because the service will not be provided in patches but will be provided through end to end network of the operator whose numbering scheme is being used.

Since it is recommended to include IP category also in this category of license, there should not be any restriction in sharing active infrastructure as allowed under the policy, with more than one telecom operator by VNO category B license

Q10. Do you foresee any challenge in allowing such arrangement as discussed in Q9 above?

Ans No Please

Q11. Please give your comments on any related matter not covered in this Consultation paper.

Ans. Since VNO category B operators are going to work under the main network of TSP any amount that is paid to TSP for should be allowed as a pass through while calculating the AGR for license fee payment. .