



To,
The Advisor (NSL),
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg,
(Old Minto Road), New Delhi-02

No: Regln/1-32/2014/ 116

Dated: 19th Jan, 2015

{Kind Attn: Shri. Sanjeev Banzal}

Sir,

Sub: - Comments on Consultation paper on "Delinking of licenses for networks from the delivery of services by way of virtual network operators (VNO)"

Kindly refer to your office press release dated 5th Dec, 2014 vide which a Consultation paper on "Delinking of licenses for networks from the delivery of services by way of virtual network operators (VNO)" was released for inputs/ comments from the stakeholders.

In this context, kindly find herewith the BSNL comments on the above mentioned consultation paper:

Q1. (a) Is there any need to introduce more competition in service delivery by the way of introduction of VNOs in the sector? If not, why not?

(b) If yes, is it the right time to introduce VNOs?

&

Q2. Will VNOs pose a threat to NSOs or will they complement their operations? Justify your answer.

BSNL Reply: VNOs will complement the operations of NSOs. Introduction of VNO will enable TSPs for optimum utilization of assets. VNOs can address the issues of delivery of services & quality of services by means of offering innovative product and services.

Q3. How can effective utilization of existing infrastructure be improved? Can VNOs be a solution to achieve targets defined in NTP-2012 for rural density?

&

Q4. Does there exist a business case for introduction of VNOs in all segments of Voice, Data and Videos?

&

Q5. Whether VNOs be introduced in all or some of the services notified in the UL? Please name the services and the justification.

BSNL Reply: The introduction of VNO will lead to faster penetration of Telecom Services. It will definitely help in achieving further higher teledensities in rural and urban areas. VNO may be allowed up to extent of service delivery and customer care.

Q6. Is there sufficient infrastructure (active and passive including access spectrum) available with a TSP to meet its own requirements? Can TSPs spare available infrastructure for VNOs?

&

Q7. If any TSP is able to share its infrastructure with VNOs, what should be the broad terms and conditions for sharing the infrastructure?

BSNL Reply: It is suggested for provision of sharing of infrastructure that for every circle, TSP/NSO shall slot in any number of VNOs but VNOs should be allowed to cater only one TSP/NSO. This will facilitate to avoid any chances of fixing priorities among services of TSPs/NSOs by VNOs.

Q8. Should VNOs be allowed to create their own infrastructure to reach out to niche markets? If yes, to what extent?

BSNL Reply: VNOs may be allowed to set up its own infrastructure wherever it may require for further penetration of connectivity to facilitate providing services based on mutually agreed terms & conditions with NSO. However the spectrum ownership and core network should be with NSO.

Q9. Should Local Cable Operators (LCOs) or Multi System Operators (MSOs) with cable networks be permitted to share infrastructure with VNOs to provide last mile connectivity?

BSNL Reply: In the current scenario, Local Cable Operators or Multi System Operators may not be permitted to share infrastructure with VNO, as they work in different regulatory regime.

Q10. Does the adoption of the VNO model requires an entirely new licensing regime or will a chapter or a separate section for VNOs added to the existing UL suffice?

&

Q11. Comment on what measures are required to ensure that the existing or new licensing regime takes care of future requirements of technological development and innovation and provides a clear roadmap for migration to existing service providers.

&

Q12. In view of the complexity in the existing licensing regime as explained in Para 3.16 to 3.18, Should India move towards NSO and VNO based licensing?

&

Q13. If yes, whether existing licensees may be mandated to migrate to NSO & VNO based new licensing regime? What challenges will arise in the migration to the two types of licensing framework?

BSNL Reply: It is suggested that the existing TSP's and the operators having UL license should be allowed to work both as NSO & VNO, i.e. the existing UL license should be converted automatically in NSO & VNO license for the service area, and they should be allowed to enter into agreement with VNO licensee.

For new entrants, the licenses for NSO and VNO should be different. There should be two type of licenses i.e. (i) NSO and (ii) VNO. The new entrant may be given option to acquire either of the license or both

Q14. Should a VNO be issued a license at the National Level, or for LSAs as in the case of UL or should it be based on the host NSO license

BSNL Reply: VNO may be issued license LSA wise as in case of Unified License.

Q15. What should be the duration of a VNO's license? Should it be linked with the license of the NSO or should it be for 20 years, as in the case of UL?

BSNL Reply: License may be issued for 20 years & should be independent of NSO license.

Q16. Should there be any cap on the number of VNOs in a service area for a particular service? If yes, what should be the number? Please provide (a) service wise and (b) service area-wise numbers with justification

BSNL Reply: There should be no cap on the number of VNOs parented to a NSO.

Q17. Should there be restriction on number of VNOs parented to a NSO? Justify your answer.

BSNL Reply: There should not be any restriction on the number of VNO's parented to a NSO.

Q18. Alternatively, should one VNO be permitted to parent more than one NSO per LSA?

BSNL Reply: No, VNO should not be permitted to parent more than one NSO per LSA.

Q19. What should be the eligibility conditions for becoming a VNO?

BSNL Reply: No comments.

Q20. Whether an existing Unified Licensee with authorisation to provide all services shall be eligible to become a VNO of another Licensee in the same or other LSA? Or, will it need separate/additional authorisation to work as a VNO for delivering services for which it does not have access spectrum?

BSNL Reply: No, the existing Unified Licensee should not be allowed to become VNO of another licensee irrespective of the area.

Q21. Should there be any cross-holding restriction between a NSO and VNOs? If yes, please quantify the same with justification.

BSNL Reply: There should not be any cross holding between NSO and VNO's of different companies.

Q23. Should a VNO utilise numbering resources, Network Codes and Locational Routing Number (LRN) of the NSO? Or, should the Licensor allocate separate numbering resource, Network Codes and Locational Routing Number (LRN) directly to a VNO?

&

Q24. What operational difficulties could arise in the above arrangements?

&

Q25. In case your reply is that the Licensor allocates numbering resource to the VNO, then how can it be ensured that the resources allocated to a VNO are efficiently utilised? Should any obligation be placed on VNOs for efficient utilisation of resources?

BSNL Reply: The numbering resources should be allocated to TSPs/NSOs in line with national numbering plan and the TSP/NSO further make allocations to VNOs so as to make the efficient use of number resource and to avoid any mismanagement in case of termination of agreement with VNO.

Q26. Should the LF and SUC applicable to the VNO be as per stipulated conditions of authorisation in UL? Or, should it be treated differently for VNO? Please quantify your answer with justification.

BSNL Reply: The present frame works of SUC is suggested to continue. The TSP/NSO and VNO should pay the applicable SUC separately after adjusting the pass through charges, which should be allowed on accrual basis for all the charges payable to each other to avoid double taxation.

Q27. Should an NSO be mandated to provide access to its network to a VNO in a time-bound manner or should it be left to their mutual agreement.

BSNL Reply: It should be left to their mutual agreement.

Q32. Should the VNO be treated equivalent to the NSO/ existing TSPs meeting obligations arising from Tariff orders/regulations /directions etc. issued by TRAI from time to time?


BSNL Reply: Yes, Both NSO and VNO should be treated equally regarding obligations pertaining to Tariff orders/ Regulations/ Directions etc. issued by TRAI for their respective functional domains and as per mutually agreed terms.

Q33. Please give your comments on any related matter not covered in this Consultation paper.

BSNL Reply: No comments.

The Hon'ble Authority is requested to kindly consider the BSNL's comments on above mentioned Consultation paper, Delay is regretted please.

Yours sincerely


19/01/2015
Sukhdev Singh
DGM (Regn-II)