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<u>For Immediate Release</u>

<u>Telecom Regulatory Authority of India</u>

TRAI releases Recommendations on 'Enabling Unbundling of Different Layers Through Differential Licensing' – regarding.

New Delhi, 19th August, 2021– The Telecom Regulatory Authority of India (TRAI) has today released recommendations on **'Enabling Unbundling of Different Layers Through Differential Licensing'**.

2.   DoT through its letter No. 20-281/2010-AS-I Vol.XII (pt) dated 8th May 2019, inter-alia, requested TRAI to furnish recommendations on enabling unbundling of different layers through differential licensing, under the terms of the clause (a) of sub-section (1) of Section 11 of the Telecom Regulatory Authority of India Act, 1997 (as amended).

3.   A Pre-Consultation Paper on 'Enabling Unbundling of Different Layers Through Differential Licensing' was released on 9th December 2019 for seeking the issues from the stakeholders to be considered and for changes required in licensing conditions for facilitating such licensing regime. Based on the comments received from stakeholders, a detailed Consultation Paper on the subject was released on 20th August 2020 seeking the comments / counter comments of the stakeholders. Comments from 25 stakeholders and counter comments from 4 stakeholders were received. Thereafter, an online Open House Discussion (OHD) was convened on 3rd February 2021.

4.   Based on the comments / inputs received from the stakeholders and on its own analysis, the Authority has finalized the recommendations on **"Enabling Unbundling of Different Layers Through Differential Licensing"**. These recommendations aim to create a separate license authorization for Access Network provider and provide a broad framework for VNO(s) seeking & entering into an agreement with the Network providers. Implementation of these recommendations are likely to result in increased sharing of network resources, reduction of cost, attract investment, strengthen the service delivery segment, and could also prove to be catalyst in proliferation of 5G services for Industry 4.0, enterprise segment and various other use cases, in a localized manner.

5.   The salient features of these recommendations are: -

   i.   A separate authorization under Unified License should be created for Access Network Provider (network layer) to provide network services on wholesale basis. Under this authorization for Network layer only, the Access network provider shall not be permitted to directly provide services to the end customers under the authorization.

  ii.   The scope of the Access Network Provider shall be to establish and maintain access network, including wireless and wireline access network, and selling the network services (capable of carrying voice and non-voice messages and data) on a wholesale basis to VNOs (service delivery operators) for retailing purpose. The Access Network Provider should be permitted to have capabilities to support all the services mentioned in the scope of Access Service authorization under Unified License (UL).

 iii.   The Access Network provider should also be permitted to provide/share its network resources to/with the telecom service providers who are licensees under section 4 of the Indian Telegraph Act, 1885, and vice versa.

  iv.   Licensed service area for Access Network Provider should be kept same as that existing in Access service authorization under UL.

   v.   Access Network provider should be responsible for all the network related terms and conditions specified in the Access Service Authorization under Unified License. However, the terms and conditions related to service delivery should be excluded.

  vi.   Like Unified Licensee with access authorization, the Access Network provider should also be permitted to acquire spectrum through spectrum auctions, subjected to the prescribed spectrum caps, enter into spectrum trading and spectrum sharing arrangement with the other Access Network providers and unified licensees with Access authorization. It should also have access to backhaul spectrum, numbering resources and right to interconnection.

 vii.   The existing licensing regime of Unified License shall be continued. However, if a licensee with Access Service Authorization under UL wishes to migrate to segregated network layer and service layer regime, it should be permitted to do so.

viii.   The Network Provider shall be permitted to take a separate license under UL(VNO) framework for provision of services to the end subscribers.

ix. To bring in transparency and accountability in the entire process for VNO(s) seeking and entering into an agreement with Network provider or Unified Licensee, a broad framework should be prescribed, including the definite process in respect of application filing, application processing and defined timelines etc. The framework should provide the process to be followed for applying for wholesale capacity/network resources along with the detailed proposal, process of acceptance/rejection by the Unified Licensees (including Access Network Providers), along with defined timelines, etc. The key elements of the framework should include:

a. To ensure that the terms and conditions offered to different VNOs are fair, transparent, and non-discriminatory, the Unified Licensee shall declare their Reference Offer (including commercials) on their website.

b. The Unified Licensee shall offer the wholesales services to different VNO(s), including VNO owned/promoted by itself, in transparent, fair, and non-discriminatory manner.

c. For submission and processing of application from VNOs, the Unified Licensees should provide a web-based online portal. Physical exchange of application, documents confirmations etc. should not be allowed.

d. The service delivery operator i.e., VNO shall make request to the Unified Licensee through online portal of the concerned Unified Licensee along with detailed proposal. The online portal should generate an acknowledgement of receipt of application and sent it to the e-mail IDs provided by the applicant and also place a copy on the portal with digital date and time stamp.

e. The Licensee shall share the feasibility status clearly stating acceptance/rejection (with reasons thereof, in case of rejection) of the proposal, through the online portal, with the Applicant party within 30 days. In case any additional information is required by the Unified Licensee, the Applicant may be asked for the same within 15 days of date of receipt of the application and in such case, the 30 days' time will begin from the date of provision of additional information by the Applicant.

f. Unified Licensee should be asked to submit an annual self-certification to the licensee certifying the adherence to the prescribed framework.

g. After entering into an agreement for service delivery, it should be the joint responsibility of the UL-VNO licensee and Unified Licensee to submit a digital copy of the agreement and their subsequent modifications, if any, to the Licensor as well as to TRAI within 15 days of signing the agreement or carrying out modifications thereof, through online mode.

x. The License Fee and Spectrum Usage charges applicable for the Access Network Provider Authorization should be same as that applicable to the Access Service Authorization under Unified License.

xi. Since the combined scope of Access Network Provider and UL-VNO (Access service) is equal to the scope of a Licensee with Access Service authorization under UL, the Minimum Equity, Minimum Networth, Entry Fee and FBG/PBG requirements for the proposed Access Network provider authorization may be arrived at by deducting the amounts prescribed for UL (VNO- Access Service) from the amount prescribed for UL-Access Service authorization.

6.   The recommendations on **"Enabling Unbundling of Different Layers Through Differential Licensing"** have been placed on TRAI's website www.trai.gov.in

7.   For clarification/ information, if any, Shri S. T. Abbas, Advisor (Network Spectrum & Licensing), TRAI may be contacted on email: advmn@trai.gov.in or at Telephone Number +91-11-23210481.

(V. Raghunandan)
Secretary, TRAI