

VTL/Reg/TRAI/1405/4029  
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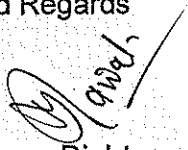
**Subject: VTL Response on Consultation Paper on “Allocation & Pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF Carriers”**

**Ref: TRAI Consultation Paper No. 02/2014 dated 28<sup>th</sup> March, 2014**

Respected Sir:

Videocon Telecommunications Limited thanks the Authority to provide an opportunity to respond to TRAI's consultation Paper “on “Allocation & Pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF Carriers”. Please find attached herewith our comments on the same.

Kind Regards



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## Response to the TRAI Consultation Paper on “Allocation & Pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF Carriers”

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We are thankful to the Authority for giving us an opportunity to give our comments on the issues raised in the consultation Paper on “Allocation & Pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF Carriers”

Please find below our response for your kind consideration:

- Q1. How many total Microwave Access and Backbone (MWA/MWB) carriers should be assigned to a TSP deploying:
- 2G technology only.
  - 3G technology only.
  - BWA technology only.
  - Both 2G and 3G technologies.
  - 2G and BWA technologies.
  - 2G, 3G and BWA technologies.

Please give rationale & justification for your answer.

Ans: A detailed report was submitted by a DoT committee on the above aspect in October 2011. This report was based on detailed discussions with the equipment vendors and TSPs. Hence, it is suggested that allocation of RF carriers may be made as per the criteria recommended by the DoT committee.

MWA carriers should be assigned on equitable basis to all the TSPs (i.e. TSPs should be assigned carriers across all the bands i.e. 15 GHz, 18 GHz & 21 GHz band).

In event if the operator is using mix of technologies (i.e. 2G, 3G or 4G, etc) then the assignment of number of MWA carriers should be made in accordance with the technology which requires more number of carriers.

MWB is used for the purpose of connecting Core & RAN network with a minimum link distance of 15 kms (i.e. Inter city). We are of the opinion that TWO MWB carrier is minimum requirement for a TSP deploying any type of technology. DoT should explore to get the band vacated from various agencies using 6 GHz / 7GHz band for their captive purpose. Till the time this allocation is not possible, as an interim measure, ONE MWB carrier assignment on ‘exclusive basis’ and ONE MWB carrier assignment on ‘link – to –link’ basis should be considered.

In addition it is also requested to assign the same MWB carrier frequency on ‘exclusive basis’ to a TSP across all the service areas

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Q2. How many MWA/MWB carriers need to be assigned to TSPs in case of 2G, 3G and BWA at the start of their services [i.e. at beginning of rolling of services] Please justify your answer.

Ans: **At the beginning of the service, the TSPs may be allocated MWA/MWB carriers as demanded by them up to the eligibility limits mentioned in Response to Question 1. Different TSPs may have their own business plan for commercial launch of services and may require different number of MWA & MWB carriers at the beginning for roll-out of services.**

Q3. Should excess spectrum be withdrawn from existing TSPs?

Ans: **Yes, if any TSP has been allocated MWA and MWB carriers beyond the eligibility limit as mentioned in Response to Question Number 1, the same should be withdrawn.**

Q4. If yes, what should be the criteria for withdrawal of excess allocation of MWA and MWB carriers, if any, allocated to the existing service providers?

Ans: **TSPs may be provided with a maximum time limit of ONE YEAR to vacate the excess carriers allocated to them and in event, if they fail to vacate the carriers within the prescribed time limit then the financial disincentives in multiple of TWO on License Fee payable may be levied for subsequent quarters till the spectrum is vacated.**

**In event, if the time limit for vacation of spectrum exceeds TWO years from the date of request, the MWA / MWB spectrum allocated in excess may stand automatically withdrawn.**

Q5. What should be the preferred basis of assignment of MWA/MWB carriers to the TSPs i.e. 'exclusive basis assignment' or 'link-to-link based assignment'?

Ans: **As TSPs have to pay the Spectrum Usage Charges basis AGR earned for a specific LSA, therefore, it may be appropriate that assignment of MWA/MWB carriers to the TSPs should be made on 'exclusive basis'.**

Q6. In case 'exclusive basis' assignment is preferred, whether MWA and MWB carriers should be assigned administratively or through auction. Please comment with full justifications.

Ans: **Assigning of MWA / MWB carriers through administrative process is the most preferred method adopted across the globe. Some countries adopted auction mechanism for allocation of MWA / MWB carries, but were never a success story.**

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**Thus, in our opinion, assignment of MWA / MWB carriers should be done through administrative process only.**

Q7. In case 'link-to-link basis' assignment is preferred, how the carrier assignment for different links should be carried out, particularly in nearby locations?

**Ans: As submitted in our response to Question Number 6 we are of the firm opinion that assignment of MWA / MWB carriers may be made on 'exclusive basis' only except for 'link-to-link' basis assignment suggested as a interim measure in response to Question Number 1.**

Q8. Considering the fact that different TSPs may require additional carriers at different point of time, what should be the assignment criteria for allocation of additional carriers for MWA and MWB?

**Ans: As submitted in our response to Question Number 1 the criteria suggested by DoT committee may be finalised and the carriers may be assigned to the maximum limit to each TSP based on TSPs requirement as per business plan.**

Q9. How can it be ensured that spectrum carriers assigned are used optimally and the TSPs are encouraged to move towards the OFC?

**Ans: Graded increment in the Spectrum Usage Charge could be deterrent against hoarding the spectrum. However TSPs who reduce their dependence on MWA / MWB spectrum may be financially incentivized.**

Q10. Should an upfront charge be levied on the assignment of MWA or MWB carriers, apart from the annual spectrum charges?

**Ans: Since the TSPs have to invest money in deploying equipment to utilize these carriers there should be no upfront charges, only annual spectrum charges be there.**

Q11. What should be the pricing mechanism for MWA and MWB carriers?  
Should the annual spectrum charges be levied as a percentage of AGR or on link-by-link basis or a combination of the two?

**Ans: Annual Spectrum Usage Charges may be levied on basis of percentage of AGR earned by TSP.**

Q12. In case of percentage AGR based pricing, is there any need to change the existing slabs prescribed by the DoT in 2006 and 2008?  
Please justify your answer.

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**Ans:** The existing slab wise rates may be revised downwards, however the frequency spots assigned in lower bands may be charged relatively higher than the spots assigned in higher bands.

Q13. In case link-by-link based charging mechanism is adopted then:

- (a) Should the spectrum be priced differently for different MW spectrum bands (6GHz/7GHz/13GHz/15GHz/18GHz/21 GHz/26GHz/28GHz/32GHz/42 GHz etc)? If yes, by what formula should these be charged?
- (b) What are the factors (viz. as mentioned in para 3.22), that should appear in the formula? Please elaborate each and every factor suggested.

**Ans:** No Comments

Q14. Should the option of assignment of MWA carriers in all the spectrum bands in 6-42 GHz range be explored in line with other countries? What are the likely issues in its assignment MWA carriers in these additional spectrum bands?

**Ans:** The assignment of MWA carriers in all the spectrum bands in 6 – 42 GHz may be made in line with best international practices and commercial availability of radio equipments.

Q15. In your opinion, what is the appropriate time for considering assignment of MWA carriers in higher frequency bands viz. E-band and V-band?

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Q16. Should E-band be fully regulated or there should be light touch regulations?

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Q17. What charging/pricing mechanism would be appropriate for these bands?

**Ans:** A separate consultation paper is suggested.

Q18. Apart from Q1-Q17, stakeholders are requested to bring out any other issue, which needs to be examined, with justification.

**Ans:** No issue.