

RELIANCE JIO INFOCOMM COMMENTS ON TRAI'S DRAFT RECOMMENDATIONS ON
'EASE OF DOING TELECOM BUSINESS IN INDIA'
(Dated 19th September 2017)

1. RJIL welcomes the Authority's decision to place the draft recommendations, on the vital issue of 'Ease of Doing Telecom Business', for stakeholder's comments. We submit that most of the draft recommendations by the Authority are facilitating and forward looking, and if implemented, these will go a long way in improving the ease of doing telecom business in India.
2. RJIL had submitted its detailed issue wise comments to TRAI's consultation paper dated 14th March 2017 on the subject. We would like to take this opportunity to update some of our submissions, in view of the changing market and technology paradigms and reiterate a few other suggestions.
3. We reiterate our submissions with regards to the Unified Licensing regime and the policies of 'Merger and Acquisition'. Further, we bring the Authority's attention to a vital issue of fragmented spectrum holdings being faced by all service providers on account of prevalent policies. We also understand from the media reports that as a part of Inter-Ministerial Group (IMG) recommendations, Department of Telecommunications (DoT) has sought the Authority's views on the current prevailing spectrum caps. We submit that our following submissions on this issue may be considered before forming any opinion on DoT's reference as well.
4. The telecom market, on a holistic level, is becoming a 'Data Only' market. Under this emerging scenario, soon all services would essentially become different applications only to be provided on data networks. This is a clear and undeniable reality that the networks of the future will be only IP based data networks. Further, the growth in consumption of data in the country, has increased multifold in the last few months. To catch up and meet with the demands of this trend in accelerated growth in data consumption in foreseeable future, the service providers need to build substantial and reliable capacities. The quantity of spectrum holdings, the contiguity of the spectrum holding and the channel width will play a large and critical role in developing such capacities.
5. At present, majority of spectrum available with service providers is liberalized, suitable to deploy any technology. However, the spectrum holdings are scattered over multiple spectrum bands leading to operational inefficiencies. This situation is primarily caused by two issues. The first one being the legacy concept of technology linked spectrum requirement and the consequent allocation of administered spectrum. The second is linked to the issue of intra-band spectrum cap policy currently in place.
6. We submit that the intra-band spectrum cap was relevant only when spectrum allocation was for a particular technology. However, with the present liberalized regime of spectrum holding as well as license, any spectrum band acquired by any



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service provider can be used for deployment of any technology with maximum flexibility and without any restriction whatsoever. Further DOT has already issued guidelines for liberalization of spectrum that was allocated administratively to the respective licensees. This combined with technological evolution and the need of larger spectrum channels to deliver optimum capacities, the intra-band spectrum cap policy has lost its relevance.

7. Intra-band spectrum caps in fact constrain the service providers from deriving efficiencies by forcing it to deploy same technology on multiple spectrum bands, as is being currently experienced with the prevailing intra-band caps. With technology neutrality regime in place and access spectrum allocation only through auction route, all service providers are equally placed to acquire spectrum in any band and deploy any technology. However, the present intra-band spectrum caps force the service providers to opt for multiple spectrum bands owing to restriction of amount of spectrum and desired channel width in the specific spectrum bands, thereby denying the benefits of higher quantum of spectrum within the same band for mobile broadband services forbidding enhanced spectral efficiencies.
8. This phenomenon is more apparent in the sub 1-GHz bands and 2300 MHz and 2500 MHz bands, where the spectrum availability is low leading to an acute situation of fragmented spectrum holdings within the respective bands which is contrary to the policy objectives of efficient and gainful utilization of access spectrum.
9. In fact, continuation of intra-band cap is anti-competitive and anti-consumer as it leads to sub-optimal / inefficient use of spectrum and network resources. The present intra-band caps limits service providers' ability to have larger carriers in one particular spectrum band and they are forced to acquire smaller blocks across different spectrum bands further limiting their ability to effectively compete in the market place, by this customers are also denied efficiency benefits of larger spectrum bands.
10. We further submit that the primary objective of maintaining sufficient competition in the market is well served by the prescribed regulation on overall spectrum cap limit. The Indian market is already hyper-competitive and the overall spectrum cap of 25% of the total spectrum in a particular service area, may be continued to guard against monopolies or concentration of spectrum with only one or two service providers. Once such adequate policy controls are put in place, service providers should be allowed flexibility to develop their own spectrum band portfolios as per business requirements, rather than forcing them to go for fragmented spectrum holding on account of policy restrictions. In view of the above the intra-band spectrum caps should be completely done away with for all spectrum bands.
11. Such cap removal will also help existing smaller service providers undergoing financial stress, as it will open up more options for trading and sharing of excess spectrum. This will help them fetch better value for un-utilized spectrum, which otherwise in today's



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scenario they are limited with choice of only one or two eligible service providers due to the current restriction of intra-band spectrum cap. Such move will also facilitate merger and acquisitions in the sector as service providers would not be required to surrender excess spectrum on account of this limitation.

12. Removal of intra-band cap is also consistent with Government's objective of One-Nation-One-License regime migration, as this move will require spectrum rearrangement and harmonization (in terms of carriers as well as quantum of spectrum) across existing service areas. Continuation of current restriction, will act as major impediment as present intra-band spectrum caps continue to be at different levels across LSAs.
13. We submit that as a part of progressive policy structure and ease of doing business, the Authority and Government has adopted various policy level measures including certain changes in the terms & conditions of spectrum auction such as conditions for minimum rollout obligation, exclusion of spectrum acquired through auction from calculation of applicable spectrum usage charge etc. The Authority and Government should continue similar good work by removing the intra-band spectrum cap for the betterment of the sector while ensuring additional benefits are made available to customers.
14. In addition to above, we reiterate our earlier submissions regarding the need for e-approval for tower installation and evolving a standardised national level tower policy and making the ROW rules more inclusive. We urge the Authority to intercede with the concerned relevant Authorities to ensure fast, stable and cheaper electricity connection for mobile towers.
15. We reiterate our submission with regards to the financial and license fee related administrative reforms. These include implementation of the Authority's recommendations on License fee deductions at source, made vide its recommendations on "Definition of Revenue Base (AGR) for the Reckoning of Licence Fee and Spectrum Usage Charges". Instituting a system of systemic assessment of payment of Licence Fee and Spectrum Usage Charges and its assessment by a single Authority at a centralised place is mission critical.
16. We fully endorse Authorities recommendations with regards to administrative reforms for SACFA processes, WPC Licenses, payment of fees for roll-out testing, phase wise PBG requirements, doing away with biennial submission of EMF certificates etc. We request the Authority to make these recommendations more encompassing and include other related suggestions on testing fee for EMF compliances and simplification of all reporting/filing procedures.

