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CONSUMER CARE SOCIETY®

(Formerly Banashankari Consumer Protection Society)

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(Regd.under Karnataka Societies Regn. Act. 1960)

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June 3, 2008

Telecom Regulatory Authority of India
Mahanagar Door Sanchar Bhawan
Jawahar Lal Nehru Marg (Old Minto Road)
New Delhi-110002

Dear Sir,

Subject: Telecom Regulatory Authority of India, Consultation Paper On Mobile Virtual Network Operator (MVNO)- Consultation Paper No. 9/2008

Dear Sir,

We have studied the above CP and our comments are below: References are to the paragraphs in CP.

Issue1. Do you agree with the definition of MVNO given in section 2.1.6 ? If not please suggest alternate definition with justification.

Replace "Sharing" by word 'Utilising'. Sharing might mean sharing by time or sharing a part of the spectrum, hence utilizing is a general term but MVNO still does not own an assignment.

Issue 2: Do you think there is a need to introduce MVNO in the Indian Telecom Market. If yes, is it the right time to introduce MVNO as a distinct service provider with its own licensing and regulatory framework? Please elaborate the comments with appropriate reasoning.

A: As this concept of MVNO has already been tried and tested and also as it would take some time to mature and seeing the world wide trends of better business growth with new service products let us take the initiative and TRAI lead in promoting them.

Why should this virtual network product be only oriented towards drawing elements of mobile network for its applications? As I do not see any technical limitations, MVNO can be a hybrid utilizing both the mobile and basic telecom network segments, and it can be a composite virtual network. Hence, let the entrepreneurs be attracted towards building composite virtual networks for niche applications.

There is no need for any regulatory intervention, as the mobile and basic fixed line networks are already under the purview of TRAI and DoT. MVNOs are virtually only resellers of circuit capacities and hence should be kept out of regulations. After all what is it that needs intervention of TRAI?

Issue 3: To what extent should the MVNO be permitted to set up their own infrastructure?

(There should be no barriers for setting up MVNOs as long as the MVNO demonstrates that arrangements have been made between themselves and the MNOs and BSOs.)

Issue 4 (i): What Regulatory Model should be followed for MVNO in the Indian context?

(None)

(ii): What kind of obligations may be imposed on MNOs so that Mobile Virtual Network Operations are implemented effectively in India benefiting the customers?

(None, the MNOs in India are sufficiently matured and market forces will act to curb any unhealthy trends that may arise)

Issue 5: What should be the eligibility criteria for MVNO?

(It is stated in Para 3.2.2 quote In the year 2003 when the access services sector was opened for free competition (Unified Access Services License) the telecom experience was not prescribed as eligibility criteria for getting the license. Hence no telecom experience is necessary at all. After all MVNO is a kind of reseller with a value addition)

Issue 6: Do you suggest different eligibility criteria for different MVNO models and regulatory frameworks? If Yes, Please suggest with justification thereof.

(None, let the MNO and MVNO work out mutually satisfactory arrangements)

Issue 7: Should there be any restriction on the number of MVNOs attached to an MNO? Please elaborate the comments with appropriate reasoning.

(There is no need to limit the number of MVNOs, as there can be any number of niche service products entirely depending on innovation, business plan and experience etc.)

Issue 8: What should be the commercial model/framework for spectrum sharing by MVNO; w.r.t. (i) Department of Telecom and (ii) MNO?

A If frequency is allotted to only the MNO, then they are responsible for all the attendant obligations, compliance with all such obligations will be the obligation of MNO

Issue 9: What should be the service obligations of MVNO? Please list them with justification thereof.

(No comments)

Issue 10. What should be the method and consideration for determining the entry fee for MVNO?

No comments.

Issue 11. What should be the definition of AGR for MVNOs?

MVNOs can even be the subsidiaries of MNOs. Hence some way has to be found not to allow leakage of annual license fee

Issue 12: What is the best way to protect the subscribers both in terms of continuity of service and applicability of tariff plan:

i) in case of a dispute between MVNO and MNO?

ii) in case MVNO wants to exit the business.

(No comments)

Issue 13: Should there be any roll out obligations specified for MVNO? If yes, what should be the penal provisions for failure/ delay in fulfilling the obligations.

(As this is new service yet to be offered and tried out, no rollout obligations necessary. However, some upper limit has to be specified for start of service)

Issue 14: What shall be the specific guidelines on the Mergers and Acquisitions of MVNO? Please elaborate the comments with appropriate reasoning.

(No Comments)

Issue 15: Should there be any restriction on cross holdings between two MVNOs and between MVNO and an MNO in a service area? Please comment on the nature and scale of restructuring.

(No comments)

Issue 16: What should be the FDI limit for MVNO?
(NO comments)

Issue 17: What should be the quantum of FBG and PBG for MVNO?
(NO comments)

Issue 18: Any other relevant issue you would like to suggest/comment upon.

(It is felt that since MVNO s are specializing in offering niche products, not necessarily telecom services, the MVNOs can be designed using both MNO and BSO telecom segments without restricting them to only MNO. After all they have to be hybrid networks to get the best of the breed advantages. The communication media is irrelevant, the connectivity is.)

Regards

G S Gundu Rao
For Consumer Care Society, Bangalore

