

Citycom's Response to the TRAI Consultation Paper on 'Introduction of UL (VNO) for Access Service authorization for category B license with districts of a State as a service area'; dated 20th March 2017

- Q1. Is there any need to introduce Cat -B VNOs in the sector?
- i. If yes, should the existing DID franchisees be mandated to migrate to UL (VNO) Cat-B based licensing regime? Do you foresee any challenges in the migration from franchisee regime to licensing regime?
 - ii. If no, how DID franchisee can be accommodated in the existing licensing regime in the country?

Comments:

Yes, there is need to introduce Cat-B VNOs in the sector. This would enable all types of service based on all combinations of data and voice, including voice over internet. And would help in overall effort to penetrate the telecom services deeper into the market as well as help keep the services in closer consonance with Customer needs. Local VNOs would have much better understanding of the needs of the customer.

DID franchisees should be mandated to migrate to UL (VNO) Cat-B based licensing regime. This would enable all services on a level playing field and it would be possible to specify and adhere to the required Quality of service.

There is challenge of imposing AGR without offset of services being purchased, which today predominantly may be as bandwidth purchase and creating the products both for voice and Broadband. This would result in depleting already very thin margin and put new licenses unviable even as they start the service.

There is uncertainty in Metro areas as they are divided in multiple districts and it would be very difficult to administer control over service in only such districts which do not seem to have any clear boundary. So, for Areas which currently fall under the Metro Telecom Circles (Delhi, Kolkata, Chennai, Mumbai and areas under them such as Gurgaon, NOIDA, Mahabalipuram, Thane, etc), a revised entry fee not higher than Rs. 3 lakh may be introduced.

Q2. Based on the complexities discussed in Para 13-15 above, should the scope of UL (VNO) Cat-B licensee be limited to provide landline (voice) and internet services or should these be allowed to provide mobile service also?

In case mobile services for such licensees are allowed, how the issues enlisted in Para 13-15 will be addressed? Please explain in detail.

Comments:

Cat-B access licensees should be allowed all services including mobile services. Local operators would be able to align the services and innovate to meet the needs of the users.

Q3. Can the license duration for UL (VNO) Cat-B be kept 10 years which is at par with other licenses issued under UL (VNO) policy? If no, justify your answer.

Comments:

Yes, it should be kept 10 years. Even for licenses awarded before the date of Licensor starting issuing Licenses post TRAI recommendations under this consultation paper.

Q4. What should be Networth, Equity, Entry Fee, PBG, FBG etc. for District level UL (VNO) Cat.-B licensee in case these are allowed for Wireline and Internet services only? Answer with justification.

Comments:

It should be as per present VNO Cat-B guidelines.

Q5. What should be Networth, Equity, Entry Fee, PBG, FBG etc. in case Cat.-B VNOs are allowed to provide mobile access service also? Please quantify the same with justification.

Comments:

