

This is in response to the Inputs for Formulation of National Telecom Policy – 2018 (Consultation Paper No. 01/2018) - Chapter III: Issues for Consultation

- **Stakeholders may also suggest any other issue related to Policy Framework which stakeholders feel is important for growth of telecom sector, along with justification.**

It is a statement of fact that the Telecom Industry of India has grown significantly over time to become the second largest in the world today. We are still at a high paced growth and hopefully will see even better contribution to our GDP. Not to forget, the IP-1s (including the tower and IBS companies) have played an equally prominent role in bringing up this development.

However, in the recent past the DoT, by imposing license on IP-1s for using equipment limited to Antennas, Feeder Cable, Node B and RAN (qualifying them as 'Active Elements'), has put forth a serious concern. The DoT had introduced IP-1 to eliminate any anti-competitive practice that a TSP may undertake in terms of sharing infrastructure. It is to be noted that an IP-1 by the grant of registration was permitted to deploy passive infrastructure. Certain IP-1 who are in the segment of indoor connectivity, normally deploy an infrastructure by linking multiple omni-antennas through feeder cables, which only upon being energized by a TSP's (Telecom Service Provider) BTS (Base Trans-receiver Station) starts radiating the TSP's respective frequency. In the action of deploying such indoor infrastructure, it is inevitable that the IP-1 excludes antennas and feeder cable. In this regard, it is also pertinent to note that the antennas that are used by an IP-1 are omni-antennas, which is very distinguished from the antenna that a TSP uses, and is only a dead element unless powered up with the BTS of a TSP.

Furthermore, though DoT is within its powers to impose license on all activities of telegraphy, licencing of the above stated activity does not signify any relevance whatsoever, and seems to be a gross deviation from the NTP-2012 in terms of quality telecommunication services and simplified licensing. Licensing is meant for utilization of only the scarce resource, which in this case is the spectrum; and since a licensed TSP already pays for utilizing the scarce resource, additional licensing of IP-1's activities is deemed to be an indirect licensing, because;

- (i) An IP-1 is only a backhaul provider to the Licensed TSP to better penetrate and radiate frequencies of the TSP, and does not create or transmit any telegraphic message of its own as defined under the Indian Telegraph Act, 1885.
- (ii) If a TSP were to share its infrastructure with another TSP, it is obvious that there would be no additional License Fee that the Licensee TSP would pay; as it is already paying the License Fee amounting to 8% of AGR. Imposing licenses on IP1s (specially for the ones who perform indoor) has adversely affected their health and scalability, thereby will surely impact on the competition and connectivity penetrations.

Wherefore, it is submitted that an IP-1 is only a part of the value chain, which only assists the primary Licensee to better transmit its messages from one point to another. It is neither fair, nor prudent to license the activities of a backhaul provider,

as this purely amounts to double licensing. Since the NTP-2018 focuses on providing connectivity for all, quality of services and ease of doing business, it should have a particular mention of mitigating such deviances. The government should have a special emphasis on the interests of the IP1. It is only by this, that the NTP-2018 would have a constructive approach to its ‘thought-for targets’; i.e.; the Vision, Mission and Objectives.

On behalf of **IBUS NETWORK & INFRASTRUCTURE PVT LTD**

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