

Consultation Paper No. 7/2020
Consultation Paper on Enabling Unbundling of Different Layers through Differential Licensing
Comments from Ozonetel Communications Pvt. Ltd.

Sl. No.	Consultation paper question	Ozonetel Comments
1	Do you agree that in order to attract investment and strengthen the service delivery segment, Network services layer and Service delivery layer needs to be separated by introducing specific license for Network Layer alone? Please justify your answer.	<p>Yes. There is an immediate need to separate the services and applications segment from the underlying Telecommunications network and infrastructure layer.</p> <p>The current Telecom regulatory framework on licensing is heavily leaning on controlling every single end use of the service consumption on the underlying network infrastructure. The subscribers should not be governed by the regulations to decide on each and every end use and service consumption pattern. Rather business objectives of the subscribers should drive the same to foster innovation and optimization.</p> <p>Tight regulatory controls led to acute hardships for any innovative use and optimal exploitation of infra, thereby resulting in heavy underutilized infrastructure and sunk capital in the form of avoidable wastage of expensive National resources. Hence it is an immediate and dire need to evolve a regulatory framework that enables:</p> <ul style="list-style-type: none"> ✓ Unbundling of the current Unified licensing that can foster <ul style="list-style-type: none"> ○ Efficient utilization of the network infrastructure already available and lying waste and that can be effectively exploited and productively used. ○ Promotion of Niche application services to be developed and provided by such new breed of service providers who can just subscribe the access resources, in capacities as may be required and grow such capacities, without any regulatory overheads whatsoever. ○ Building captive / shared platforms and application services by such bulk users/ aggregators, which is what the Cloud Services are all about, without the need for any regulatory overheads. <p>The problems that may be anticipated are with respect to the Identification of the end subscribers and traceability and accountability, which can be addressed by mandating:</p> <ul style="list-style-type: none"> ✓ Same KYC norms as that of the Access Services Subscriptions from TSPs/BSOs, for every subscriber of any application services provided by the Application Services Providers/ Aggregators. ✓ Audit trails for every application service that is provisioned, which can provide the required evidence and logs/ trails, for the law enforcement machinery.
2	Should the Network Services Layer licensee be permitted to take the Service Delivery Category licenses and provide the service? If yes, what kind of	<p>Yes. The regulatory frame works shall not bar any legitimate business entity from obtaining such multiple licenses, as any entity can expand their services offerings in a fully integrated manner, if their business objectives deem it fit to go and offer the full spectrum of all possible services in the domain. The regulatory framework shall facilitate any forward and/or backward integration in this space.</p> <p>There is no need for any restrictions and/or safe guards. Allow the market to decide the survival dynamics of the most valuable entities in the space than regulation trying to protect any inefficiency in the ecosystem.</p>

	restrictions and safeguards are required to be built, in order to protect the competition and innovation in service delivery segment? Please justify your answer.	
3	Whether certain obligations should be imposed on the existing Unified Licensees and other measures should be taken to encourage UL licensees to provide their network resources to VNO licensees particularly in mobile service segment? Please suggest the measures in detail.	There is no need for any regulatory intervention in the business dynamics. Every entity must see value and undertake their business operations accordingly than to be driven by regulations. The objective of regulation shall be to facilitate the ease of doing business than restricting any business operations of any of the licensees or licensors.
4	In case network layer and service delivery layer are separated by creating separate category of licenses, as proposed in Q1;	
	a) What should be the scope for Network layer license and Service Category licenses?	Scope of Network service layer shall be to deploy and maintain the Telecom networks and enable access to the network services to any and every entity that subscribes for the network resources. Scope of Service Category of licenses shall be to develop and deploy any and every kind of legitimate Telephony Application Services without any limitations and restrictions and be able to sell the same along with underlying Telecom resources bundled.
	b) Out of various responsibilities and obligations enumerated in Unified License, what should be the respective responsibilities and obligations of Network layer licensees and Service delivery category licensees? Please elaborate with justifications.	When the UL regime is proposed to be dismantled, the new regime of licensing shall take into account respective need and utilization of the National resources like radio waves/ Spectrum / Right of way to lay and maintain the Telecom networks and associated obligations for quality of service and equitable access of the same to all citizens across the country. Only Network layer players need these and may be licensed accordingly as per the applicable obligations. The service delivery category of the licensees do not need any radio waves/ spectrum/ Right of way etc. as they don't need to build any networks but rather subscribe to the networks already in place and use these access services as a foundation layer to build and deploy their Telephony application services. So the same obligations that are mandated for the network layer players need not be imposed on the service delivery layer licenses. These shall be under light touch regulations to foster innovation and investments in this space for optimal exploitation of the network services already built and in place.
	c) What mechanism should	Every Network services Licensee shall enable access to their access services to all the Service delivery licensees without any discrimination whatsoever and in

<p>be put in place to regulate the access to network services of Network layer licensees by the service delivery Category licensees? Whether certain obligations should be imposed on Network layer licensees to provide the network resources in a time-bound, transparent and non-discriminatory manner?</p>	<p>equitable and fair manner as per published tariffs for such services.</p> <p>Any delay in delivery of network services beyond 4 weeks may be reviewed by the regulatory to audit if the delay is genuine or is based on any extraneous considerations.</p>
<p>d) What incentives (for example, lower license fee, lower SUC, etc.) could be provided to Network Layer licensees in the new unbundled licensing regime to encourage the investment in the Network layer? Please justify your answer.</p>	<p>Keeping in view the extreme capital intensive nature of the Network services licensees, the fees and revenue share etc. may be lowered significantly to ensure that the network services operators are not over loaded with heavy commercial compliance burden. Government should rather focus on the widest adoption of these services so that service consumption is highly encouraged to yield more than commensurate recurring GST revenues to the Government.</p>
<p>e) Whether the existing Unified Licensees should be mandated to migrate to the unbundled licensing regime or the new regime should be introduced, while keeping the existing regime continued for existing licensees till the validity of their license, with an option of migration?</p>	<p>We suggest a new regime be brought in to identify and grant regulatory sanction to the emerging services layer players. The existing Unified Licensees may be given option to migrate to the new unbundled regime once their existing unified licenses expire.</p>
<p>f) Whether existing VNO licensees be mandated to</p>	<p>Once the new services licensing regime with the required light touch framework is in place, all existing OSPs/VNOs/Audio-Text etc. be migrated to the new regime.</p>

	migrate to service delivery category licenses as per unbundled licensing regime?	
	g) Whether service delivery category licensees to be permitted to parent with multiple Network Service layer licensees? Please justify your answer.	Yes. Redundancy is the most important ingrained element of the Cloud Services architecture and Services shall be delivered in an uninterrupted manner, irrespective of the underlying Networks suffering any outages due to any reasons. The Service delivery category shall be permitted to subscribe to the all network services from all available Network services licensees in India.
5	Any other issue related to the subject may be raised with suitable explanation and justification.	In line with the objectives enshrined in NDCP 2018, it is high time that DOT shall ensure that Cloud and API based services are encouraged with very light touch regulations, to expedite innovation and ease of doing business for all application services providers without any avoidable regulatory hardships whatsoever.