



RJIL/TRAI/2021-22/96

10<sup>th</sup> June 2021

To,

**Sh. Sunil Kumar Singhal**

**Advisor (BB&PA)**

**Telecom Regulatory Authority of India**

**Mahanagar Doorsanchar Bhawan**

**Jawahar Lal Nehru Marg, New Delhi – 110002**

**Subject: Comments on Supplementary Consultation Paper dated 19<sup>th</sup> May 2021 on 'Roadmap to Promote Broadband Connectivity and Enhanced Broadband Speed'.**

Dear Sir,

Please find enclosed herewith comments of Reliance Jio Infocomm Ltd. (RJIL) on the Supplementary Consultation Paper dated 19<sup>th</sup> May 2021 on 'Roadmap to Promote Broadband Connectivity and Enhanced Broadband Speed'.

Thanking You,

For **Reliance Jio Infocomm Limited**,

**Kapoor Singh Guliani**

Authorised Signatory

**Enclosure:** As above.

**Reliance Jio Infocomm Limited's comments on TRAI's consultation paper on  
"Roadmap to Promote Broadband Connectivity and Enhanced Broadband Speed"  
(Supplementary consultation paper dated 19<sup>th</sup> May 2021)**

**Preface**

1. We thank the Authority for seeking stakeholders view on the important aspect of rethinking on the settled position of exemption of license fee on Fixed Line Broadband ('FLB') services, in order to incentivize the fixed broadband proliferation.
2. At the outset, we submit that **we are surprised at the need of reviewing a 6-year old recommendation by the Authority, especially when all the conditions precedent and justifications for the recommendation remain equally valid and relevant.** Further, we were also to understand from news reports<sup>1</sup> that the apex decision making body Digital Communications Commission (DCC) had accepted this proposal and was inclined to implement it. **Thus, a rethink on the issue, at this stage, with an entirely new perspective of evaluating the possibility of misappropriation by Access Service Providers and exploring the possibility of passing the benefits through a Direct Benefit Scheme (DBT), can have no other effect than delaying the implementation of much needed incentives to revitalize the FLB sector. More importantly such complete reversal of the stand from its own recommendations would raise questions about past recommendations made by the Authority leading to regulatory uncertainty.**
3. We further submit that although this paper is termed as 'supplementary consultation paper' by the authority, it may be seen that content of this new paper has very few things in common with TRAI's earlier consultation paper on "Roadmap to Promote Broadband Connectivity and Enhanced Broadband Speed". Rather this paper raises altogether new and important policy issues in the areas of extending financial incentives to TSPs, its suitability and robustness of monitoring, and **exploring the possibilities of leveraging DBT in proliferating FLB. Since most of these issues are being put up for deliberations for the first time, this consultation paper (CP) should not be treated as a supplementary CP but as a pre-CP to comprehensively deal with the issue.**
4. As aptly recognized by the Government and the Authority, there is an urgent need to ramp up Fixed Line Broadband ('FLB') penetration in the country. In India, we transport only 6-7% of total data on the fixed line networks compared to world transporting 46% of total data on these networks. US transports nearly 60% of their data on fixed line networks. As per the ITU study on the economic impact of fixed-line broadband in the Asia-Pacific region, it is estimated that an increase of 10% in fixed line broadband penetration in a

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<sup>1</sup> <https://economictimes.indiatimes.com/tech/internet/india-considers-license-fee-cut-for-household-broadband-service/articleshow/76508286.cms?from=mdr>

country would yield an increase in 1.63% in GDP per capita. **Hence, it is undisputable that all efforts should be made to incentivize better adoption of fixed line broadband in the country.**

5. We submit that in case the importance of augmenting and incentivizing the FLB networks was lost on anyone, the ongoing pandemic would have changed that perspective. **The massive 'work from home' and 'learn from home' movements in last one year have been possible to some extent due to FLB networks that provided the stable, high quality and high speed internet services that enabled the shifting of offices and educational institutes to online video meetings.**
6. Realizing the potential and impact of FLB, especially on overall economic growth and Gross Domestic Product (GDP), the Authority and Government have many times analyzed the reasons for low subscription for FLB in the country against the developed and developing countries. **It is a matter of record that FLB subscription, even in BRICs countries is in multiples of that in India. Many measures have been taken to improve this situation including the National Broadband Mission in end of 2019, however, there has always been a policy hesitancy in implementing the most obvious of solutions of indirectly and directly incentivizing the service providers,** barring the yet to be implemented, TRAI recommendations of 2015 on exemption of license fee, that is now under re-examination.
7. The Authority, in its recommendations on 'Delivering Broadband Quickly: What do we need to do?' dated 17<sup>th</sup> April 2015 had correctly predicted the **impending boom in broadband traffic and the prevalence of high-definition video based content to conclude that to support such volumes of traffic, we will require hybrid technology solutions.** The Authority had noted that fixed networks that carry most traffic across the world and have **an inherent disadvantage of high installation and maintenance cost need to be incentivized by providing a waiver on license fee for at least 5 years.** We submit that all justifications relied upon by Authority for recommending waiving off the license fee for FLB sector remain valid even now. It is pertinent to note that **in absence of any effective incentives for laying FLB networks, the FLB networks have failed to support the broadband penetration in the country. Consequently, FLB market remains severely underdeveloped in our country due to an unaffordable cost structure that leads to an uneconomical business model, even in the urban/semi-urban areas.**
8. The costs of the laying the FLB under the fiber based technologies have not come down and the Authority as well as the Government are still contemplating on how to effectively implement the Right of Way Rules 2016 (ROW Rules 2016). **Thus, the supply side constraints owing to high investment along with large gestation period, identified**

**multiple times in the last decade, have not been addressed at all over the last 6 years and continues to be the reasons for such a poor penetration of FLB in India.**

9. We do not find any justification for this proposed change in approach and firmly believe that the costs, infrastructure requirements and gestation period of the FLB sector warrant direct and indirect incentivization to service provider only. **As this alone will help to create an environment for investing in fixed infrastructure by ploughing back funds for expanding and upgrading the Fixed Line Network. This was also recognized under the National Digital Communication Policy (NDCP-2018),** which clearly envisaged *“Reviewing the rationalization of license fees on fixed line revenues to incentivize digital communications”* as one of the strategies for *“Catalyzing Investments for Digital Communications sector”*.

#### **Same Service Same Rule**

10. One of the concerns mentioned in the CP is with respect to the principle of ‘same service same rule’. **The Authority has mentioned that exempting the wireline services from license fee can lead to ‘level playing field’ concerns with regards to the license fee payable by the wireless broadband services, which are essentially of comparable throughput and quality under the new technologies.**
11. We submit that the **comparison of Fixed Line Services and Wireless Services is not justifiable as Fixed line service does not provide mobility to the end-user and hence is not a substitutable service. Further, the fixed-line services do not use spectrum, which is a scarce natural resource, in fact it helps in conserving the same. The Authority also continues to treat these two services differently in terms of subscriber tariffs, point of interconnection etc. Therefore, the principle of ‘Same Service Same Rule’ cannot be applied between Fixed Line Service and Wireless Services for the limited purpose of incentivizing the fixed-line service by removal of license fee. Further, the principle of level playing field, though valid in most circumstance, needs to be applied judiciously, especially when the policy initiative under consideration is in form of an affirmative action with a motive is to incentivize one service that has the potential of saving the national resources, is lagging behind and is actually impeding the delivery of critical services to various sections of the population and that can improve the quality of service and quality of life of citizens of the country.**
12. We further submit that the policy needs and requirements always take precedence while deciding the regulatory regime for overall benefit of the sector, rather than getting influenced and driven by the possible unfounded operational concerns. For example, **for Access Services the regulatory levy differential continues to be present right from the inception, in the form of Spectrum Usage Charge (SUC), without any issue, dispute or**

**claims of misappropriation.** Similarly recently the Authority, in its recommendations on 'Provision of Cellular Backhaul Connectivity via Satellite Through VSAT Under Commercial VSAT CUG Service Authorization' dated 28<sup>th</sup> July 2020 has **recommended that SUC for using satellite frequencies under the NLD service license/authorization should be prescribed as 1% of AGR excluding the revenue from the licensed services other than satellite-based services.** To operationalize this, it has recommended that NLDs should do the accounting separation and maintain the revenues accruing from the satellite based services and other licensed services separately.

13. **It would also be not out of place to mention here that when it was most apt and urgently required, the Authority did not impose the 'same service same rules' principle, in the case of OTT communication services which are substitutable to carrier services of voice and messaging and can be deployed at a fraction of cost.** It is pertinent to note that the Authority's position has remained unchanged on this despite multiple consultations and representations during which time the OTT platforms have grown exponentially in the country reducing the carrier messaging service to only an A to P service. We reiterate that the OTT communication services issue remains the fit case where 'same service same rules' should have been implemented long ago.
14. Therefore, **reliance on the 'same service same rules' principles to roll-back on a proposed license fee exemption for wireline services which have entirely different input cost dynamics and bottlenecks than wireless services would not be a prudent decision.**

#### **Possibilities of Misappropriation**

15. Another concern mentioned is the possibility of misappropriation by access service providers to save some license fee payable to the Government by creative accounting. We submit that the nature of FLB and wireless broadband is distinctly differently owing to area of coverage of the two. Hence the concerns of misappropriation do not hold true. Further, segregation of revenue between Fixed Line and Wireless Services is already allowed under the license, assessed by CCAs/DoT, and audited by Government/CAG for the purpose of levying the SUC. As detailed earlier differential regulatory levies for wireline and wireless services continues to be there since inception, without any issue. The Authority itself has recommended such differential charges in the recent past. Therefore, all such concerns are imaginary and without any basis.
16. **We submit that if such misplaced concerns are permitted to alter the settled policy positions, then even the slab-wise structure of income tax and GST may also need to be shifted to a single rate mechanism, because surely there is a possibility of misappropriation to get benefits of lower slabs. Clearly any misplaced concerns of**

**misappropriation cannot govern the policy decisions and thereby deny the rightful benefits to all the stakeholders.**

17. Further, the sector is working on a revenue sharing model for over 20 years and the only disputes have been regarding the interpretation of items to be included/excluded in adjusted gross revenue and not for any attempts of misappropriation. Surely, this should give Authority the confidence to discount such possibilities.
18. Notwithstanding the same, service providers are already closely scrutinized through regular audits, special audits, CAF audits etc., obliged to prepare and audit its accounts as per rules and also submit accounting separation reports with all details at each product and service level. Hence the apprehension of misappropriation of revenues is highly inappropriate **to turn back on a long recommended and urgently required incentive for the benefit of the sector, for some imaginary decline in Government revenue due to misappropriation.**
19. **We further submit that such exemption of license fee should not be limited only to the Home Broadband revenue but should be made applicable for the entire revenue from the fixed line /wireline. The contribution of wireline services, other than Home Broadband, to the economic growth of the country is undisputed and the supply side constraint are equally applicable for these services. Therefore, exemption of license fee for the entire wireline revenue will make the most economic sense and will also avoid unwarranted assessment disputes.** We submit that in case the desired goals of *'Enabling fixed line broadband access to 50% of households'* under the NDCP-2018 is even partially met by exempting the license fee for wireline services, then even the imagined temporary fall in Government's revenue share will be greatly offset by the economic gains to the nation at large.

#### **Other Concerns**

20. There is a reference of no substantial growth in subscribers with the ISPs that are not paying the license fee under court orders to justify that the license fee exemption may not be suitable. We submit that this reference is not relevant as the ISPs that have got the benefit of license fee exemption through Hon'ble TDSAT order would never be in a position to pass on the benefits in developing infrastructure, as there is always a possibility of license amendment and adverse judgement by higher courts leading to retrospective costs.

#### **Direct Benefit Transfer (DBT)**

21. The reference and examples of quasi-DBT scheme in telecom sector are self-explanatory to show that such schemes do not work. The RDEL scheme was an indisputable failure. On

the other hand, the examples like DBT in LPG are completely irrelevant. **DBT is related to the actual cost of the service and affordable tariff / price.** The pricing and input costs are entirely different in LPG and telecom. **DBT in LPG has a controlled price mechanism and all PSU service providers offer the service at same subsidized rate and it is easy to fix a DBT rate. This is not possible in the case of FLB, as there will be a lot of variance in the costs due to different technologies or cables such as OFC or copper cables or Right of Way costs which vary across local bodies as well as can also be based on type of road surface/digging technology, scale of business etc., leading to different tariffs offered by different service providers under forbearance regime for the tariffs , thereby requiring differential DBT, which would anyways be not acceptable to all.**

22. Further, **approval for such bridging amount between cost and affordable tariff will require the Authority to establish and verify cost as well as affordable tariff for each and every locality. This is not only a herculean task involving much more costs than the actual benefit intended to be offered, but will also act against the forbearance and light touch regulation policies pursued by the Authorities over the years.**
23. Similarly, DBT will be highly ineffective in creating a long term sustainable demand for FLB in the country. **DBT is effective in situation when two factors are satisfied, viz. the segment of population requiring the subsidy/support is distinctly identifiable and the demand as well as supply is well established but the affordability is a challenge;** as is the case with food subsidy, LPG subsidy, etc. None of the two above mentioned factors are met in case of FLB. There cannot be any benchmark/parameter based on which the target population may be decided who may get DBT benefit for utilizing the FLB services.
24. In case DBT is adopted, as a means, to create artificial demand in the short term, it will simply lead to short term increase surge in FLB subscribers, which would like to benefit from the financial assistance being provided for the same. Such DBT will not allow service providers to target and develop a long term sustainable demand for different segments of consumers marked by their unique use cases. Instead, the service providers will be forced to divert their resources towards the segment of the population which has been randomly identified for provision of DBT by the Government. **For a sector which is yet to develop distinct demand segment, DBT can only disrupt a possible orderly growth of the possible consumer segments and the only way to achieve the same can be through financial support to the service providers.**
25. Further, it may be acknowledged that **unlike other sectors in which DBT is being provided, in the case of fixed-line telecommunication services, in absence of network rollout in any area by the service providers, even the DBT cannot be provided to any chosen customer.** The Service providers may not be able to expand FLB network to all parts of the country only because DBT is in place. Instead of this, if financial benefits are directly offered to the service

providers, it will leave surplus cash for reinvestment into expansion of the network even to the not so remunerative areas. Otherwise ironically, the population segment that needs FLB the most will not be able to avail it, if DBT is put in place by the Authority. Therefore, it is important to ensure an affordable and sustainable business model of the Fixed Line Operator that will enable them to rollout ubiquitous fixed-line networks

26. In view of the above, we reiterate that the need of the hour is to incentivize investments by the service providers in making the fixed connectivity available to subscribers. **The exemption of license fee for the same would be a small but first step towards this goal.**

27. **If at all DBT is perceived as essential in telecom sector, it can be implemented for offering upgradation of the feature phones that are locked to the outdated technology so that everyone can migrate to the latest technology, bridging the digital divide. The efforts to offer public benefits need to be further supplemented by USOF funding to connect rural and remote areas and continued support for connectivity and other direct and indirect measures like Production Linked Incentives (PLI) scheme for laying fixed infrastructure and permitting pass through of bandwidth and lease line charges, as has been extended to Virtual Network Operators (VNOs). Such measures will enable the service providers with surplus cash in hand that can be re-invested in laying more infrastructure.**

## 28. Conclusions

1. **The license fee should be exempted on all revenue earned through fixed line services.**
2. **Such license fee exemption should not be limited to a finite period, however, TRAI should carry out a cost-benefit analysis post 10 years to decide its continuity or otherwise.**
3. **The license fee exemption should be supplemented by USO support for rural and remote infrastructure, PLI scheme for fixed infrastructure and by permitting bandwidth and lease line charges as pass through.**
4. **The fears of misappropriation are completely unfounded and differential levies are already in place and effectively implemented.**
5. **The DBT scheme will not be useful and will be counterproductive. The rollout of a sustainable fixed-line network in any area is pre-requisite for providing services to the customer who can avail the benefit of DBT. The availability of DBT to few customers in any area cannot lead to the rollout of fixed-line network.**
6. **The only way for having a structured growth of the FLB sector and develop a sustainable long-term demand is by providing required financial support to the service providers.**

7. DBT can be implemented for offering upgradation of the feature phones that are locked to the outdated technology so that everyone can migrate to the latest technology, bridging the digital divide.

Question wise response:

1. What should be the approach for incentivizing the proliferation of fixed-line broadband networks? Should it be indirect incentives in the form of exemption of license fee on revenues earned from fixed-line broadband services, or direct incentives based on an indisputable metric?

RJIL Response:

1. As elaborated in the preface, we submit that the only way to incentivize proliferation of fixed line broadband (FLB) is through incentivizing the investment in fixed infrastructure and the same can only be done through a combination of indirect and direct incentives to service providers, including but not limited to exemption of License fee on fixed line revenue. **The actual availability of the fixed network is the most critical condition precedent for proliferation of FLB and that is possible only when the surplus cash available with service provider and support is provided for laying the infrastructure.** Rest of the proposals hinge on availability of the network and have no relevance otherwise.
2. The Authority in its 2015 recommendations had recognized that there has to be a business case for a service provider to invest in building infrastructure and recommended exemption of license fee as one of the measures for the same along with a host of other measures. As elaborated in our earlier submissions, the factual matrix and relevant issues have not substantially changed. **Further, there has been a lack of on-ground effort to change these conditions and secondly, whatever measures have been taken, like implementation of ROW Rules 2016, have not been implemented effectively and RoW cost still remains the major cost of deployment of fixed- line networks and need many improvements, as detailed in our response to the main consultation paper.**
3. In addition to the much needed exemption in license fee, the Authority should also leverage the USOF funds to proliferate broadband infrastructure in rural and remote areas. This effort should be in addition to the Bharat Broadband Network Limited (BBNL) and should be in the form of bearing the complete costs of rural roll-out of fiber networks. Further, the Authority should also recommend PLI scheme for proliferation of fixed infrastructure.

**2. If indirect incentives in the form of exemption of license fee on revenues earned from fixed-line broadband services are to be considered then should this license fee exemption be limited to broadband revenue alone or it should be on complete revenue earned from services delivered through fixed-line networks?**

**RJIL Response:**

1. The fixed networks currently provide two primary services i.e. voice and data. The shift in pricing paradigm and Authority's path breaking step to remove fixed termination charges in 2015 itself, has led to a situation when most fixed subscribers are being provided free voice along with their data services subscription. Thus, broadband is the only chargeable service under fixed line networks and makes for the bulk of gross revenue.
2. Further, restricting the license fee exemption to only broadband revenue will lead to unnecessary assessment disputes, negating the positive impact of the benefits extended. **It should also be borne in mind that voice services and Value Added Services (VAS), bundled with a broadband subscription will make the offering more attractive and would further boost broadband penetration, which is the ultimate objective. Further, exemption of license fee on various types of leased line services provided through fixed lines will also make the fixed-line networks more affordable. Therefore, it would be prudent to exempt the complete revenue generated from fixed line services from the license fee.**

**3. In case of converged wireless and fixed-line products or converged services delivered using the fixed-line networks, how to unambiguously arrive at the revenue on which license fee exemption could be claimed by the licensees?**

**RJIL Response:**

1. **The convergence of services and sectors is one of the strategies to secure universal broadband access under the NDCP-2018 and is expected to deliver rich rewards going forward.** Therefore, convergence should be encouraged and the license fee exemption for fixed networks should not be a debilitating factor for convergence.
2. The DoT and Authority already have many modes to separate the revenue to unambiguously arrive at the revenue for which license exemption will be applicable. This includes distinct numbering plan resources, the prescribed code of accounting and Accounting Separation reports by Authority. Following these principles, we do not see any possibility of unambiguity in separating the accounts, even in case of convergence of services.

3. Nevertheless, as an additional check the multiple audits and CCA verification will have a deterrent effect on any innovative accounting to avail more than justified license fee exemption. DoT's and CAG audits have been further deterrents in this direction.

4. **Further, for the purpose of SUC, the revenue segregation between fixed-line and wireless is already being done and is well accepted by CCAs/DoT/Auditors and CAG.**

**4. What should be the time period for license fee exemption? Whether this exemption may be gradually reduced or tapered off with each passing year?**

**RJIL Response:**

1. **The license fee exemption for the fixed networks should not be restricted and time-bound.** The Authority is aware that significant time is required to gauge the success of a program in a capital intensive and high incubation-time sector like telecom.

2. However, the Authority may retain the option of reviewing and carrying out a cost-benefit analysis of the measure and carry out a consultative process for the need for continuation or otherwise of the license fee exemption post 10 years of implementation of the exemption or post any pre-defined period.

**5. Is there a likelihood of misuse by the licensees through misappropriation of revenues due to the proposed exemption of the License Fee on the revenues earned from fixed-line broadband services? If yes, then how to prevent such misuse? From the revenue assurance perspective, what could be the other areas of concern?**

And

**6. How the system to ascertain revenue from fixed-line broadband services needs to be designed to ensure proper verification of operator's revenue from this stream and secure an effective check on the assessment, collection, and proper allocation and accounting of revenue. Further, what measures are required to be put in place to ensure that revenue earned from the other services is not mixed up with revenues earned from fixed-line broadband services in order to claim higher amount of incentive/exemption.**

**RJIL Response:**

1. As mentioned in the above comments, we do not see possibility of any misappropriation and misuse of the license fee exemption under the current regulatory oversight with respect to telecom accounting. The system has sufficient checks and balances in place to deter any possibility of misappropriation.

2. **We reiterate that the Authorities should not miss the big picture i.e. the aim of the exercise is to proliferate FLB and build fixed line infrastructure that will provide a robust backbone to not only fixed but also wireless networks. The potential gains that are likely to accrue to the sector in terms of enhanced connectivity and the growth of the Indian economy coupled with more opportunities are clear indications that FLB can strongly complement wireless broadband in building a more robust digital infrastructure network.**
3. The Authority should not let the unproven possibility of minor revenue loss due to such pilferages and innovative accounting, divert it from the primary objective i.e. to deliver broadband and take the national economy higher by overall and inclusive growth by meeting the objectives of 'Digital India', 'Aatmanirbhar Bharat' and NDCP-2018.
4. We never shy of quoting the World Bank study metric that a 10% increase in broadband connectivity leads to 1.38% increase in Gross Domestic Product (GDP). However, when it comes to taking big steps for broadband proliferation, we tend to have second thoughts based on unproven doubts. The Authority is therefore requested to ignore the diversionary misgivings and move forward on strengthening FLB sector by providing all possible assistance for laying the networks. The ROW issue may have many local stakeholders, however, the license fee exemption, USO support and PLI scheme are directly under Authority and Government and should be effected immediately to make a significant difference for empowering FLB providers.

**7. Is there any indisputable metric possible to provide direct incentive for proliferation of fixed-line broadband networks? What would be that indisputable metric? How to ensure that such direct incentives will not be misused by the licensees?**

**RJIL Response:**

The indisputable metrics for providing direct incentives to licensees can be the subscribers on a fixed network, data carried on the fixed network and the kilometres of fiber laid by a licensee during a given period of time. Either of this can be treated as a metric for providing a PLI type scheme for fixed networks.

**8. What are key issues and challenges in getting access to public places and street furniture for installation of small cells? Kindly provide the State/ City wise details.**

**RJIL Response:**

1. There are multiple challenges in accessing the public places and street furniture for small cells. The primary concerns revolve around the perennial issues of local body permissions,

regulatory costs and fees and public perceptions related to health impact of the telecom equipment.

2. ITU's 2018 paper on 'Setting the Scene for 5G: Opportunities & Challenges' mentions Industry viewpoint on barriers to deploying small cells, by carriers like Crown Castle, AT&T, Sprint, T-Mobile and Verizon as *'experiencing significant regulatory barriers from local authorities – these include excessive fees, prohibitions on small cell placement, unreasonable aesthetic restrictions and prolonged permitting processes. According to Crown Castle, its small cell deployments usually take 18 to 24 months to complete, from start to finish, largely due to the need to obtain local permits for the installation of the devices.'*
3. We submit that all these concerns are present in India in a much magnified manner. The Authority is aware of the ROW and local body permissions related issue. Further, the state governments, local bodies and even the departments of central Governments have to realize that the role of cheaper RoW in the developments of telecommunication networks and their benefits to society. The requirement of RoW becomes even more important in the case of 5G and the number of cells would be a large multiple of the existing cells sites and further, a majority of these cells would be required to be backhauled using fibre. High RoW / Way leave charges will make the rollout of 5G small cells un-viable and hence will become the biggest roadblock in early deployment of 5G in the country, if not resolved timely.
4. The perception issues in India are so strong that Government and other bodies had to clarify recently that 5G trials have no connection with second wave of corona virus infections in the country. A few months ago, similar rumors were afloat with regards to outbreak of bird flu.
5. Thus, the primary challenge is to educate and spread awareness about the benefits about 5G and role of street furniture in proliferating 5G and aligning the local body Governments and officials, other approving authorities like electricity board, environment body, other crucial stakeholders like RWAs etc. in understanding the future role of 5G in transforming our economy and society.
6. There is a need to deliver unambiguous message that benefits of 5G far outweigh the misplaced concerns and possibilities of gains through permissions. In words of European Union, *"Most importantly, medical treatment will be more accessible, quicker and more precise. With 5G, healthcare systems can enable mobile networks to handle remote patient monitoring, as well as efficient and simplified collaboration between medical specialists. In parallel, this new technology will transform cities, making them more sustainable and safer. It will make clean energy resources easier to manage and enable autonomous driving, where vehicle-to-vehicle communication will increase safety and*

*reduce accidents. In addition, 5G will open the way for innovative solutions in industry and manufacturing: optimising processes and enabling interconnected and remotely controlled equipment.”*

**9. How to permit use of public places and street furniture for the effective rollout of 5G networks? Kindly suggest a uniform, simple, and efficient process which can be used by States/ Local-Bodies for granting access to public places and street furniture for installing small cells. Kindly justify your comments.**

**RJIL Response:**

1. The importance of street furniture for effective deployment of 5G networks is not lost on anyone. Globally, the regulators like Ofcom have engaged with the Government and Industry to move the small cell deployment to ‘permissible development’ instead of a ‘permitted development’ thereby reducing the permission burden. The European Union has also announced<sup>2</sup> adoption of implementation regulation for permit-exempt deployment regime for small cell equipment. This is also expected to be mirrored in the UK regulations. Thus, evidently the global thrust is towards facilitating a simple permission less process for small cell deployment on street furniture.
2. Currently the Hon’ble Chairman TRAI has also noted<sup>3</sup> that the current approvals and permissions process is not appropriate for deployment of 5G infrastructure and has noted the importance of having an altogether different, completely online system for giving permissions for 5G infrastructure including the same for street furniture. He has also mooted the point of online permissions by RWAs (resident welfare associations), as well, alongwith other facilitating measures like building codes and indexing the cities on their telecom friendliness. The Chairman has also noted the need to allay fears about health due to proximity of street furniture and the making available sufficient power for such infrastructure.
3. Thus, we submit that it would be appropriate to create a fully integrated online approval system for utilizing street furniture for small cells, which will also leverage the best of international experience.
4. The Authority should recommend a legislative support to exempt the low-power low radiation small cells from extensive permission and EMF guidelines. The city level permission process should be completely online with time-bound approval or deemed

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<sup>2</sup> <https://digital-strategy.ec.europa.eu/en/news/commission-adopts-implementing-regulation-pave-way-high-capacity-5g-network-infrastructure>

<sup>3</sup> <https://www.businesstoday.in/sectors/telecom/street-furniture-to-be-important-in-5g-says-trai-chairman/story/427658.html>

permission provisions. This online portal should also include the permission for power/battery back-up and other associated requirements. Thus, this should be a unified portal for small cell deployment on street furniture.

**10. Which all type of channels of communication should be standardized to establish uniform, transparent, and customer friendly mechanisms for publicizing provisioning of service and registration of demand by Licensees?**

**RJIL Response:**

In today's digital world, the optimum channel for such communication is the TSP website and self-care channels. RJIL offers a facility to register demand for its Fiber services on its website, under this all users registering for fiber services are contacted as and when there is fiber availability in their location. We submit that a similar model can be standardised.

**11. Whether proliferation of fixed-line broadband services can be better promoted by providing Direct Benefit Transfer (DBT) to subscribers of fixed-line broadband services? If no, elucidate the reasons.**

And

**12. If answer to Q11 is affirmative, then:**

- i. Should DBT scheme be made applicable to all or a particular segment of fixed-line broadband subscribers? Kindly justify your comments.**
- ii. If you recommend supporting a particular segment of fixed-line broadband subscribers, how to identify such segment of the subscribers?**
- iii. How to administer this scheme?**
- iv. What should be the amount of DBT for each connection?**
- v. What should be the period of offer within which individuals need to register their demand with the service providers?**
- vi. What should be the maximum duration of subsidy for each eligible fixed-line broadband connection?**

**RJIL Response:**

1. As mentioned in our general comments, the DBT scheme for proliferation of FLB will not be suitable as it will not address the vital missing cog i.e. the support for costs of laying fiber infrastructure. Owing to the massive costs of deployment, the fiber infrastructure is laid by the service providers only when there is a visible business case. The DBT scheme for a few thousand customers in a particular area will not even help recover the ROW costs, leave alone make a business case. Therefore, the DBT scheme will be a non-starter.

2. In addition to the reasons mentioned before it is pertinent to note that telecom is not a sector where the lack of competition has led to high prices dissuading the customers from availing the services. On the contrary, the hyper-competition in telecom has resulted in rock bottom prices, which clearly obviates the possibility of DBT having any sizable impact on customer demand.
3. Further, the framing of question number 12 itself shows that the amount of confusion such a scheme will create. Besides the implementation difficulties of such a scheme, the Authority will be faced with the issue of discrimination. Clearly, giving DBT to all consumers, including the existing users will not be reasonable and the Government would like to give DBT on basis some segmentation. Let us assume for the sake of argument, that the DBT is proposed for fixed line broadband users in rural poor and marginal daily wage workers. Then the obvious question would be of discrimination with mobile broadband users in the same segment. Going by the market dynamics it is safe to assume that working class in this segment would be more interested in mobile broadband than FLB and would prefer a subsidy, if at all, to upgrade their mobiles to smartphone to enjoy full benefits of mobile broadband.
4. Thus, clearly, such a scheme may fail to create demand and may not deliver the benefits of nudge theory. On the other hand, once the fixed network is available in a service area, service providers like RJIL are successfully leveraging the nudge theory by giving a one month free trial to all FTTX customers, that helps them experience the service first hand and appreciate its benefits that leads to more committed consumers. Consequently, we reiterate that it is important to help create fixed line infrastructure first to leverage it for proliferating broadband.
5. Therefore, as mentioned earlier and in our submissions to the main consultation paper, there is a requirement of multi-pronged action to help fixed networks play their designated role in proliferation of broadband and meet the targets set in the NDCP-2018. We are enumerating the same as herein below:
  - The license fee exemption for revenue earned through fixed networks should be immediately implemented.
  - A PLI scheme should be formulated to give direct incentives for laying fixed networks.
  - The USOF fund should be used to lay network by private players in rural and remote areas.
  - Pass through benefits should be extended to bandwidth and leased line charges paid by service providers, as in the case of VNOS.
  - There should be deregulation of fixed networks by removing the antiquated regulatory restrictions.

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- More competition should be introduced in fixed line sector by introducing fixed number portability, fixed-mobile portability, and fixed-IN number portability.

**13. Any other related issue.**

**RJIL Response:** None