



**VIL/PB/RCA/2021/0646**

June 10, 2021

**The Advisor (Broadband and Policy Analysis)**

**Telecom Regulatory Authority of India,**

Mahanagar Doorsanchar Bhawan,  
Jawaharlal Nehru Marg, (Old Minto Road),  
New Delhi – 110002

**Kind Attn: Shri Sunil Kumar Singhal**

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

**Dear Sir,**

Kindly find enclosed herewith Vodafone Idea Ltd's comments to TRAI Supplementary Consultation Paper on "Roadmap to promote Broadband Connectivity and Enhanced Broadband Speed" dated 19<sup>th</sup> May 2021.

We hope our comments will merit your kind consideration please.

Thanking you,

For **Vodafone Idea Limited**

**P. Balaji**  
**Chief Regulatory & Corporate Affairs Officer**

C1 – Vodafone Idea External

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idea

**Encl:** As stated above

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## **Vodafone Idea Ltd Response to the TRAI Supplementary Consultation Paper on “Roadmap to Promote Broadband Connectivity and Enhanced Broadband Speed”**

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At the outset, we are thankful to TRAI for giving us this opportunity to provide our comments to the TRAI Supplementary Consultation Paper on “Roadmap to Promote Broadband Connectivity and Enhanced Broadband Speed” dated 19<sup>th</sup> May 2021.

### **Executive Summary of VIL Comments**

1. Wireless broadband sector (mobile sector) concerns needs Resolution and Priority. We most humbly request TRAI to conclude the consultation process and also fix the floor price for data services, in interest of continuity of mobile sector.
2. 5G would bring revolutionary changes and increase wireless broadband speeds thereby, further reducing dependency on fixed-line broadband networks even in urban areas.
3. Incentives/subsidies should be technology agnostic as such, it should cover broadband as a whole i.e. both wireless and wireline revenues.
4. Applicable licenses for incentivization should be UL (Access)/UASL/CMTS and UL (ISP)/ISP licenses.
5. Important to carry out structural changes having long term impact and hence, following should be undertaken
  - a. Addressing RoW issues including reduction of RoW charges, timely and single-window clearances,
  - b. Bringing in National Fibre Authority for efficient utilisation of existing fibre assets and
  - c. Notifying telecom under essential services.
6. We support indirect incentivization through exemption/rationalisation of license fee on revenues from wireless and wireline services whereas direct incentivization will have practical challenges.
7. RoW rules, 2016 should include Street furniture, EMF norms should be simplified & relaxed for network densification through small cells deployment and instructions to SEBs/Discoms for usage of their smart poles etc.

8. Publication of start of broadband service can be through various means viz. operator website, social media, local city/town newspaper publication in local language only (if available) and registration of demand should be through operator's website and/or mobile app, for which the Authority may standardize the fields.
9. Additional points:
  - a. Prescribe Floor tariff for Mobile Data services (wireless broadband)
  - b. Incentives should cover both wireless and wireline services.

## **Detailed Comments**

We would like to submit our detailed comments for Authority's kind consideration, as follows:

- A. While there has been steady increase in wireless broadband users, number of fixed-line broadband connections have not increased much structurally and organically except the increase in demand due to pandemic.
- B. Broadband proliferation in rural areas will significantly help the rural population by reducing the digital divide and in proliferation of digital services like e-education, e-healthcare, rural-banking, e-agriculture, IoT etc. This will benefit the society and economy as a whole.

### **C. Concerns of Wireless (mobile) broadband sector needs Resolution and Priority**

1. The number of wireline v/s wireless subscribers over past few years are given as follows:

Sr. No.	Wireless broadband subscribers	% share of wireless of total	Wireline broadband subscribers (in million)	% share of wireline to total	Total broadband subscribers (wireline + wireless)
As on 31.12.2015	120.02	87.91	16.51	12.09	136.53
As on 31.12.2016	217.95	92.32	18.14	7.68	236.09
As on 31.12.2017	345.01	95.08	17.86	4.92	362.87
As on 31.12.2018	507.19	96.54	18.17	3.46	525.36
As on 31.12.2019	642.8	97.11	19.14	2.89	661.94
As on 31.12.2020	725.12	97.02	22.29	2.98	747.41

2. As can be seen from above, more than 97% of broadband users are over wireless networks, which has been steadily increasing over past many years. Also, as internet speeds have increased over wireless broadband due to newer technologies, the degree of dependence on wireline internet has decreased.
3. It is much more important that the concerns ailing financial health of mobile sector, which serves more than 97 % of broadband users, are also looked after and addressed.

4. The mobile sector is facing financial stress with high cost of existing spectrum, network deployments, RoW etc. but, the tariffs continue to be one of the lowest in the world. This poses a continued existential threat to Indian telecom market, with imminent risks of duopoly.
5. Conducive policies are very important for growth of digital ecosystem. Incentivizing fixed line broadband and not doing anything for mobile services, will further increase divide between TSP(s) giving both mobile services and fixed line broadband and TSP(s) giving primarily mobile services, and increase risks of duopoly.
6. For addressing financial health of mobile sector, there is need to resolve concerns on revenue side. In this regard, TRAI had issued consultation paper dated 17.12.2019 on introducing floor pricing for tariffs. All TSPs (private and PSUs both) unanimously supported it and floor pricing for data services was sought, as is evident from the comments of various TSPs placed on TRAI's website. However, there has been no further deliberations and it is pending for conclusion for around 18 months.
7. Further, it is a policy position under NDCP 2018 also, which lists out key strategy to catalyse investments for Digital communication sector as *"Reviewing of levies and fees including LF, SUC and the definition of AGR and rationalisation of Universal Service levy"*.
8. Further, the emerging 5G technology is expected to have transformational impact on the society, through massive expansion of digital products and services across sector. The Government of India also considers<sup>1</sup> **5G to be connectivity fabric of the emerging new era of ICT** that has the ability to positively transform every sector of the economy and society. 5G is also expected to help the country leapfrog the traditional barriers to development as well as advance the 'Digital India' vision. 5G is future way forward and also super critical to help India become \$5 trillion economy.
9. 5G would create digital highways, with low latency and very fast data speeds and would substantially reduce the gap between mobile broadband and fixed-line broadband speeds. With 5G, the dependency on fixed-line broadband would reduce significantly and wireless will continue to lead broadband growth. Therefore, it is logical step that policy support and incentives should be provided to future looking segment i.e. wireless broadband, such that it supports bringing in massive investments, networks roll-outs, uptake of services as well as survival of mobile sector.

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<sup>1</sup> 5G HLF Steering Committee report

10. Giving incentives in terms of rationalisation/exemption from license fee to both wireless and wireline services will help take care of the misappropriation concerns. If incentives is only given to any technology specific service and dependence is made on ASRs to identify revenues, it will create a messy and complication situation with allegations of misappropriation, leading to audits and litigations in future.

Absence of clear definitions and demarcations in between converged services within fixed line and/or between fixed broadband and wireless, coupled by continuous evolution of new models of such converged services, it would lead to interpretation issues in future leading to disputes and allegations of misappropriation of revenue. For example if an operator offers both wireline and wireless broadband services to a customer and charges a cumulative fixed fee, then apportionment of fixed fee to wireline could be more skewed due to the stated benefit if given to one service i.e. wireline.

11. In our considered view, segregation of revenue due to converged wireline/wireless services as well converged broadband/content/voice services, will be very challenging and full of issues. There would be concerns of cross-subsidization, direct and indirect influence and gain for content services, misappropriation of revenue etc. and would also lead to non-level playing field as well unjust advantage to operators giving converged services.

12. **No unfair competitive advantage:** In our view, incentives/subsidy should be lead to competitive advantage to any section of operators, who might be providing converged services, else it will create a non-level playing field for all ISPs as well as TSPs and make the market non-competitive, causing serious business continuity risk to all other operators, with threat of market entering into a duopoly.

**Therefore, at the outset, we most humbly request TRAI to:**

1. **Conclude the Tariff floor pricing consultation process and also fix the floor price for data services, in interest of continuity of mobile sector.**
2. **Consider broadband as a whole (both wireless and wireline) for the purposes of incentives in terms of exemption/rationalisation of license fee/SUC.**

**D. Technology agnostic incentives/subsidy:**

1. For robustness of licensing and regulatory regime, we principally support technology agnostic frameworks including incentives/subsidies.

2. In the instant case, it would be fair and will support level-playing field, to give incentives/subsidies to broadband connections as a whole i.e. both wireless and wireline.
3. Such approaches will be helpful from a long term perspective and will also help early uptake of 5G services.

**E. Applicable licensees for Incentives/subsidy:** Such incentivization should be applicable for both access licensees i.e. UL (access)/UASL/CMTS licensees as well as UL (ISP) and ISP licensees, for ensuring level playing field and equal opportunities to all set of operators.

**F. Structural changes have long-term impact**

1. For increasing reach of existing wireless broadband services to unconnected areas, Creation and Efficient use of Infrastructure is very important. For addressing issues plaguing creating and efficient use of infrastructure, structural changes would be required like:
  - i. Addressing RoW issues including reduction of RoW charges, timely and single-window clearances,
  - ii. Bringing in National Fibre Authority for efficient utilisation of existing fibre assets and
  - iii. Notifying telecom under essential services.
2. We have given detailed comments on RoW matter during the main consultation paper vide our letter dated 10<sup>th</sup> November 2020, which may kindly be considered as part of these comments as well. RoW costs and delays is the single biggest factor which is impacting the creation of infrastructure and has been highlighted unanimously by almost all stakeholders like TSPs, ISPs, IP-I players etc.
3. Infrastructure creation will also help increase fiberisation of telecom towers to targeted 85% from existing 35% and support upcoming 5G services, which will radically increase wireless broadband speeds and capabilities.
4. Therefore, RoW issues needs to be sorted out on a war-footing basis. This will need stronger legislative sanctity to RoW rules 2016 with minimal administrative charges and engagement with state authorities for onboarding them.

### Question-wise Comments

**Q1. 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?**

and

**Q2. 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?**

and

**Q3. 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?**

#### VIL Comments for Q1 to Q3:

As explained above, we would like to reiterate as follows:

1. No technology specific Incentive/subsidies should be provided.
2. Give incentive/subsidy to broadband services as a whole i.e. both to wireless as well as wireline.
3. This will take care of concerns on misappropriation of revenues due to converged services etc.
4. Such incentivization should be applicable for both access licensees i.e. UL (access)/UASL/CMTS licensees as well as UL (ISP) and ISP licensees, for ensuring level playing field and equal opportunities to all set of operators.
5. **Indirect incentive based on license fee exemption:** We support indirect incentive of license fee exemption on the revenue for pure broadband services. Any other approach of incentivizing, is full of practical challenges and would lead to implementation issues.

**Q4 What should be the time period for license fee exemption? Whether this exemption may be gradually reduced or tapered off with each passing year?**

**VIL Comments to Q4:**

1. Providing sufficient time-period will ensure certainty to the operators, who will make investments in creation of infrastructure and also to pull them out of present financial stress.
2. We recommend that the licensee fee exemption should be provided for a sufficient period of minimum of 10 years.

**Q5. 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**

**Q6. 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.**

**VIL Comments for Q5 and Q6:**

1. Detailed comments have been given above.
2. Considering the converged services under wireless/wireline and also under data/voice/content, there is a likelihood of allegation of misappropriation of revenues which will lead to complicated situation in future, unless the incentive is given to both wireless and wireline in totality.
3. Therefore, incentive should be given to both wireless and wireline, which will take care of misappropriation concerns as well as level-playing field between different licensees.

**Q7. 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?**

and

**Q11. 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

**Q12. 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?**

**VIL Comments to Q7, Q11 and Q12:**

1. Direct incentive will be full of practical challenges and lead to implementation issues.
2. We support indirect incentive of license fee exemption/rationalisation to revenue from both wireless and wireline services.

**Q8. 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.**

and

**Q9. 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.**

**VIL Comments to Q8 and Q9:**

Following challenges needs to be addressed for getting access to public places and street furniture:

1. RoW rules, 2016 do not have provision for use of street furniture for deployment of telecom infrastructure. Incorporating street furniture into RoW rules will help harmonize the procedures with different local authorities at state level.
2. Stringent EMF norms with conservative thresholds will put restrictions on the densification of networks through use of small cells. The EMF guidelines also needs simplification and relaxation w.r.t. assessment criteria for small cell deployments.
3. Instructions needs to be given to SEBs/Discoms to give permissions for usage of their poles for the deployment of telecom infrastructure.
4. State Discoms, through a central agreement, to allow Telecom operators to use their LT Poles for aerial OFC and mounting low power 4G/5G BTS, small cells.
5. Formation of a common repository at state level along with requisite details of location, Lat/long, power and current tenants would facilitate an easy adoption.
6. Granting access to public buildings and street “furniture,” such as bus stop shelters, lamp posts or traffic lights, owned by municipalities, at low or no cost removes a significant hurdle to site deployment. New street infrastructure that is manufactured and installed deployment-ready means operators can attach their equipment and connect to backhaul and energy networks.
7. Laying of ducts along the highway and roads during its construction, widening or repairing and leasing them to the TSPs/ISPs at reasonable costs, will help in significantly speeding up laying of the OFC to the remote places.
8. An elegant single window of clearance per state from all agencies shall ease adoption of street furniture.
9. Some other aspects that need to be considered for the use of public places and street furniture for the effective rollout of 5G networks are as below:
  - a. There is need to create awareness among municipal bodies officials and to explain the opportunities and benefits of use of street furniture associated with wireless street furniture and seek support.
  - b. Coordinate legal franchising and permitting requirements early on to identify timing and other expectations from both municipal and infrastructure provider perspectives.

- c. Identify any special local considerations (historic districts, architectural requirements, tribal approvals).
- d. There is need to clearly discuss the charges and fees for access in relation to any published municipal schedule.
- e. The street furniture shall be available to all operators and there should be inherent mechanisms in the policy to allow fair access to all operators and dissuade from hoarding of these public street infrastructure.
- f. Policy mechanisms ensuring standardized documents for Power, space etc. are defined and available, to ensure street infrastructure is ready.

**Q10. 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?**

**VIL Comments to Q10:**

Post commencement of services, operators should use website, mobile app, social media as a channel to publicize and inform consumers. Similarly, website, mobile app, and other digital channels (as per licensees choice) can be used for registration of demand. The Authority may standardize the fields required for registration of demand.

**Q13. Any other related issue.**

**VIL Comments to Q13:**

As explained above, in our view following topics relates to much more severe and imminent impact and needs to be addressed by the Authority on priority.

**1. Prescribe Floor tariff for Data services**

- a. The Authority is very well aware of the financial health of mobile sector and has also issued a consultation on floor tariff in Dec'2019.
- b. All the TSPs (private and PSU) have supported prescribing floor tariffs for data services as part of their comments to the consultation paper. However, the consultation has not been concluded as yet.
- c. We request the Authority to kindly conclude the consultation and prescribe the floor tariff for data services, for survival of this sector.

**2. Incentive both wireless and wireline**

- a. As explained above, the wireless broadband sector is providing >97% of total broadband subscriptions and is undergoing severe financial health concerns, which if not attended to, may lead to duopoly. Therefore, there is a dire need to address the financial health concerns of the wireless sector.
- b. We strongly recommend to the Authority to consider wireless and wireline revenues both for incentive of licensee fee's exemption/rationalisation.

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