

Choice of Service Provider for Captive Private 5G Networks must lie with Enterprises: BIF

- *Depriving Enterprises of TRAI recommended, Global Best Practise of direct administrative allocation of Spectrum for Captive Non-Public Networks (CNPNS) will prevent Fair Competition, Liberalisation and Progress*
- *Misinformation being propagated claiming level playing field for completely different sets of services, i.e. Public Networks and Captive Non-Public Networks*

New Delhi, 15th July 2022: Broadband India Forum – a neutral think tank devoted to the cause of the enhancement of the Broadband ecosystem, has been espousing the cause of facilitating Captive Private 5G Networks in India, as has been laudably approved by the Cabinet in its historic decision taken last month, and promises to be a game changer and bring about Digital Transformation across all industry verticals by enhancing their efficiencies. This will usher in the much needed migration path to Industry 4.0, which will provide a critical boost to the national flagship missions of 'Make in India' and 'Atmanirbhar Bharat'.

It is however, apparent that certain quarters and incumbents with vested interests are attempting to derail this progressive development through irrational, misleading and misinformed claims for a level playing field between the vastly different service domains of Public Networks and Captive Non-Public Networks. It is highly irreverent to imply that the historic Cabinet decision permitting allocation of direct spectrum to Private Enterprises offers a backdoor entry for them to get 5G spectrum and set up Public/Consumer 5G Networks.

In fact, all the four methods approved by the Union Cabinet and issued in the NIA for obtaining spectrum for Captive Private 5G (Non-Public) Networks (CNPNS), have the involvement of telcos. Even the fourth option of direct assignment of spectrum to the enterprises does not preclude the option/possibility that enterprises buying the spectrum directly from the Government can have the Captive Private Network built by the telcos for them. This gives them undue advantage over the Private enterprises. **So, in actuality, this is a case of non-level playing field in the telcos' favour. Effectively, the telcos have a share of each piece of the overall pie and in no way, such a move inhibits their business plans as being incorrectly stated.** On the contrary, there is merit in calling out a need for a level playing field between the enterprises and the telcos as it is the former who are getting short-changed as a result!

It is also surprising to note such claims being raised post submission of the applications for taking part in the auctions, which implies acceptance of the terms of the NIA - including the option of direct allocation of spectrum for CNPNS.

It is critical to understand that there is a fundamental and elementary difference between Private 5G Networks (also referred to as Non-Public Networks by the apex Telecom Body 3GPP) and the Consumer/Public Networks of the Telcos. While the Consumer/Public Networks are essentially connected to the Public Internet and the Public Telecom Networks, the closed user captive Private Networks are not. Moreover, whereas Public 5G Networks are meant to be used by millions and billions of consumers, Private 5G networks are exclusively meant for use by the enterprises within their limited defined geographic areas. Technically there is only one user of the given spectrum for the Private Network within those boundaries and that is the enterprise itself. Hence, there is no reason for the enterprise to buy the spectrum through auctions which are meant for use by a number of Telcos for commercially offering services to the large public base.

Moreover, telcos under their Licence, have the privilege to unique rights, viz. right of interconnection, right for obtaining numbering resources, right of way for setting up infrastructure, and right of catering to general public, etc. None of these rights are available to Enterprises setting up Private or Non-Public Networks. While telcos make big retail and institutional market revenues from their businesses through use of spectrum in Public Networks, enterprises do not intend to do the same. The enterprises are only looking to enhance efficiencies and output through preferred and competent Service Providers. It must also be remembered that the Telcos do not have an exclusive licence and such claims to deny the enterprises of the fundamental right to choose, blatantly oppose the tenets of Fair Competition, Liberalisation, the Progress of the Nation and its Economic Growth.

BIF President, Mr. T.V. Ramachandran, commented, *"It is ludicrous that misleading and misinformed views are being propagated demanding level playing field between two completely different sets of services, i.e. massive country-wide Public Networks and significantly smaller and limited Captive Non-Public Networks, especially when the playing field is actually completely tilted in the favour of the telcos. This seems to be an attempt to have a select group with vested interests decide and offer their services as per their wishes to the enterprises, depriving them of the fundamental right to choice, for preferred services as well as service provider. The enterprises would then have to make do with whatever is offered by the TSPs, whether satisfactory or not. This will go against the historic and progressive decision of the Union Cabinet to enable Industry 4.0, and deal a severe blow to the nation's progressive growth ambitions."*

The suggestion that captive private networks should bid for spectrum in auctions is extremely irrational, given that their objective is to enhance efficiencies and not use the spectrum to provide commercial public services. For e.g., a small enterprise set in a town in Gujarat would neither be able to bid for Spectrum in league with the telco giants, nor would it have any use for the big chunk of spectrum, if hypothetically won via auction. This entire logic is flawed and misleading, attempting to hinder the right of an enterprise to choose a more competent and suited Service Provider for their Captive Private Network, and rather forcing them to accept whatever is being offered by the TSPs, whether it is satisfactory to them or not.

BIF reiterated that the Cabinet decision for permitting captive private 5G networks, including the decision to allow direct allocation of spectrum to enterprises for the same, was taken keeping in mind the overall growth and advancement of the nation, the vital aspects of consumer benefits, adoption of technology, and continued reforms, for the benefit of all stakeholders, eventually leading to greater economic as well as socio-economic gains for the country. Denying the same will deprive India of accelerated Digital Transformation of Enterprises to Industry 4.0, more job opportunities, and impetus to our national missions of 'Atmanirbharta' & 'Make in India'.

About Broadband India Forum

Broadband India Forum (BIF) functions as an independent policy forum and knowledge-based think-tank that works for the development and enhancement of the entire broadband ecosystem in a holistic, technology-neutral and service-neutral manner. BIF has established itself as a thought leader and a credible and effective voice, to help propel the nation to achieve the country's ambitious vision of creating a Digital India. To achieve this, BIF works to promote the rapid development of policies, so as to facilitate affordable and high-speed ubiquitous broadband throughout the country.

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