TRAI's Consultation on Service Authorization Framework Set to Overhaul 30-Year-Old Licensing Regime

<u>Moving beyond Mere Semantics could help Enhance Competition, Drive Innovation, and Ensure Connectivity and Inclusivity</u>

The recently launched consultation paper by Telecom Regulatory Authority of India (TRAI) with over 60 probing questions aims to provide suitable recommendations to the Government to help usher in the new 'authorisation' based regime in place of the extant licensing regime. This change is proposed under the Telecommunication Act 2023. TRAI has sought comments, *inter alia*, on the existing scope of services, terms and conditions, merging or clubbing of extant service authorizations, introduction of new service authorizations and introduction of unified service authorization for pan India. **This consultation marks the first significant change in the licensing regime in the past 30 years since 1994, when privatisation in mobile and fixed telecommunication was first introduced, and is looking to dismantle an obsolescent structure in favour of a modern framework suited for a digital economy.**

Mr. TV Ramachandran, President, BIF said, "This is a great opportunity for becoming a world-class regulatory regime in order to hasten our transition to a top digital economy. To help give effect to it, BIF has suggested certain fundamental principles which should guide the process of transition from 'licensing' to 'authorization' and make it a meaningful one. The new framework should be more than a name change, so it could propel us toward a 'Viksit Bharat' and aim to build an inclusive digital ecosystem, driving innovation, enhancing connectivity, and ensuring equitable access to cutting-edge technologies across the nation."

BIF recommends that the **overall objectives** must be crystallized before initiating the exercise of changing the framework and the new authorizations in whatever form should result in:

- Low barriers to entry to attract more entities;
- Promoting competition;
- Encouraging investments by giving a clear roadmap;
- Technology neutrality;
- Future-fit framework capable of adapting to needs of the changing market;
- Simplification and certainty in process;
- Reduced regulatory costs;
- Ease of doing business;
- Encouraging innovation;

- Enabling objectives of connectivity and inclusivity;
- Streamlining / removal of conditions which are unnecessary or counterproductive to the economy and overall national interests.

The above will benefit all the stakeholders i.e. users, the government, the industry, the overall economy, and the nation.

To allow participation of players from all segments, BIF suggests that services which are not customer-facing or not requiring scarce resources need not be covered under the authorization regime *per se*. **BIF proposes a light touch regulatory approach be adopted for them.** The regime should provide for distinct services to be kept under separate authorizations and service areas to be kept same for same type of service and provide for general, simple and automatic authorizations except in cases where scarce and precious resources viz. interference free licensed spectrum, numbering, interconnection and right of way, are required. Authorisations should not cover IT services and should also specially exempt such telecom services that are captive and non- public.

Furthermore, a unified service authorisation at pan India level clubbing all types of services and all service areas, is likely to result in a 'super authorisation' which would facilitate only large deep-pocketed players, and could suppress competition as well as innovation. Instead, the need is to promote smaller players to participate in overall growth of broadband which is needed in unserved and underserved areas of the country and which will result in much required broadband connectivity and inclusivity.

BIF urges TRAI to ensure that the recommendations and subsequent rules under the Telecommunications Act, 2023, reflect these visionary objectives. Without this alignment, the reforms would be rendered practically futile or may even run the risk of reducing competition further.

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 & broadcasting 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.