COAI ISSUE APRIL 2023 I - DIGEST

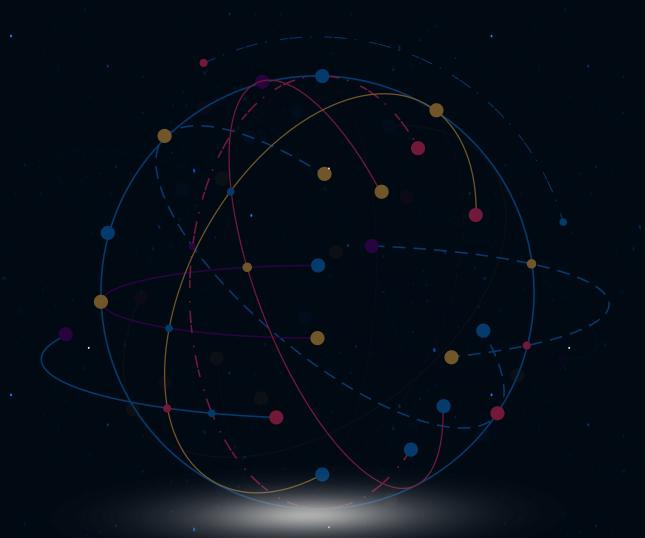
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LT. GEN DR. SP KOCHHAR (RETD.)
Director General, COAI

From DG's Desk

The Indian telecom sector is putting in tireless efforts to successfully meet the increasing demands for data consumption, online education, remote work, social media interactions and virtual meetings through its unwavering performance and commitment. As the sector has facilitated the expansion and penetration of broadband and telecom connectivity across India, it currently faces a substantial debt of approximately INR 6.3 lakh crore (\$85 billion) by the end of FY2023.

The debt-laden sector has put in massive investments and efforts to ensure India gets the world's fastest 5G roll-out; but it also needs more financial relaxation and support for viability and sustenance. While 5G is being deployed rapidly across the country, the revenues can be gained from the same only once the market matures, use cases are established and the enterprise uptake of the services is realized. In order to ease the heavy financial burden on the telcos and aid in the revival of the sector, COAI has sought a reduction in license fees from 3% to 1% to cover only administrative costs, and a deferral of the universal service obligation levy of 5% until the existing funds amounting to over INR 64,774 crore are exhausted. This would help provide some relief to the sector in the interim. We have also requested that telcos be granted GST exemption on various regulatory payments like License Fee, SUC and spectrum awarded through auction, at least till there is some financial stability in the sector.

The industry considers the mid-band 6 GHz spectrum critical for efficient and rapid deployment of 5G mobile networks in India, as well as addressing the growing data demands in the coming years. The available mid-band spectrum in the 6 GHz band (5925-7125 MHz) i.e., 1200 MHz of spectrum, has immense potential in IMT, for the commercial success and deployment of 5G NR, 5.5 G, and 6G in the future, as it would help optimize the use of these technologies. Considering the recent spectrum auctions, where the mid-band spectrum in the C band reached a rate of INR 317 crore per MHz, we emphasize the huge financial implications of delicensing the entire 1200 MHz of the 6 GHz band, which would lead to significant losses for the government exchequer. We have submitted a proposal to the Department of Telecommunications (DoT) suggesting the allocation of the entire 6 GHz spectrum for mobile telephony to enable the delivery of quality digital connectivity services, including 5G, across the nation.

Moreover, the telecom sector's reliance on an uninterruptible power supply is essential for maintaining communication continuity and minimizing downtime. The energy sector also depends on the telecom industry for managing and maintaining their network of generators and grid distribution, ensuring grid resiliency during adverse situations. We are advocating for the telecom sector to be charged industrial electricity tariff rates rather than commercial rates, as the cost benefits would help accelerate 5G deployments. We are also seeking electricity



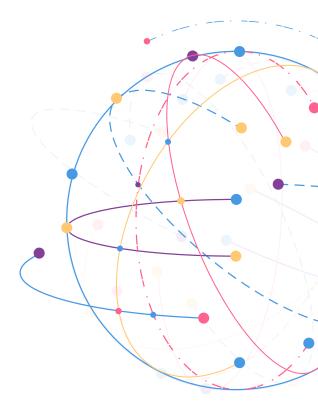
connections to be provided on priority basis for telecom infrastructure facilities, amongst other power related needs.

Over the past month, telecom operators have expressed concerns over the sale of illegal signal booster devices on e-commerce platforms. We have urged the government to make the sale of signal boosters and repeaters a punishable offence, to curb their unregulated use.

The financial health of the sector requires more robust government support. Taxes and levies need to be reduced, and spectrum prices need to be rationalised and lowered further, as the 5G network is still deployed. A stable telecom infrastructure will enable businesses, including telcos themselves, to prosper and contribute to the nation's journey towards a 'Digital India'.

- LT. GEN DR. SP KOCHHAR (RETD.)
Director General, COAI





Review of definition of Gross Revenue (GR) and Adjusted Gross Revenue (AGR)

COAI has submitted letters to DoT and TRAI on 17th April 2023, suggesting that the definition of AGR is still complex and needs to be reviewed and simplified.

Re-evaluation of permission for Smart Grid deployment via RF Mesh using unlicensed band (865-868 MHz)

COAI has submitted a letter to DoT and Ministry of Power (MoP) respectively, on 10th March 2023, raising concerns on the use of unlicensed band via RF Mesh for Smart Grid deployment. Vide the said letter, COAI has suggested the use of only licensed spectrum bands and infrastructure created under the telecom license for this purpose. DoT, vide its E-mail on 25th April 2023, stated that a committee has been formed under the chairmanship of Joint Wireless Adviser, DoT to examine COAI's representation and a meeting to be held on 3rd May 2023, to discuss the concerns raised.

Critical Services in M2M sector

DoT vide its letter/email dated 22nd March 2023, has circulated a list of critical M2M services and had sought inputs by 15th April 2023. A meeting was held in DoT under the Chairmanship of DDG (NT) on 26th April 2023. DoT has sought detailed note/letter w.r.t. identifying the critical services, to be submitted by 30th April 2023.

Relaxation of restrictive features of M2M services

DoT, vide its letter dated 24th March 2023, sought inputs on restrictive features on M2M services by 10th April 2023. COAI submitted a letter to DoT on 12th April 2023, requesting for an Industry meeting on the same. Subsequently, a pre-meeting was held with DoT on 19th April 2023, along with Technical SPOCs of the TSPs. Further, a meeting was held on 26th April 2023, in DoT under the chairmanship of DDG (NT) to discuss about issues related to M2M/IoT. DoT has sought a detailed letter covering all concerns that were raised in the meeting along with use cases/justifications, to be submitted by 8th May 2023.

Submission of state-wise data for QoS Parameters to

TRAI issued a direction on 23rd February 2023, for submission of state-wise data for QoS parameters. Vide a letter dated 28th March 2023, COAI requested the Authority to grant an extension for submitting the same. TRAI, vide its letter dated 19th April 2023, extended the submission date of the report for QE Mar 2023 by two months from the due date, as per the direction dated 23rd February 2023.

Reporting of Major Network Outages to TRAI

TRAI issued a direction on 28th March 2023, directing all the Access Service Providers to report the incidences of major network outages. COAI submitted a letter to TRAI on 19th April 2023, requesting the Authority to review the time period stipulated in the Direction for (a) reporting of such outage, (b) root cause analysis, (c) corrective action taken and (d) implementation of the direction w.e.f. 1st June 2023.

Review of Port Charges

COAI has circulated a letter to members for inputs on 18th April 2023, regarding requesting the Authority to review and revise the Port Charges prescribed vide The Telecommunication Interconnection (Port Charges) (Second Amendment) Regulations, 2012 on 18th September 2012. The Letter is under deliberation.

Open House Discussion

Open House Discussion was held on 19th April 2023 on the Consultation Paper on "Licensing Framework and Regulatory mechanism for Submarine Cable Landing in India", wherein COAI participated and presented its views.

Guidelines for Audit of the Metering and Billing System and accuracy of Metering and Billing in LSA

TRAI released Draft Regulation on Review of the Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulations, 2023 on 24th February 2023, and time was granted till 1st May 2023, to respond to the same.

A meeting was scheduled with the members on 21st April 2023, basis which, COAI made the submissions to TRAI on 1st May 2023.

Mandatory Testing and Certification of Telecom Equipment (MTCTE)

- COAI, with its members, met Shri R.R. Mittar, Sr. DDG, TEC on 17th April 2023, regarding concerns related to the MTCTE Phase - III and Phase - IV
- COAI also submitted a letter to Sr. DDG, TEC requesting for an extension in the implementation date of Phase 3 and Phase 4 till 1st January 2024.
- COAI further highlighted the following issues in its representation regarding the MTCTE:
- Non-Availability of Sufficient and Capable Testing Ecosystem
- No Defined Timelines for Testing and Certification Processes
- High Testing & Certification Fees
- · No Guidelines on Highly Specialised Products
- Required extension on the ILAC Provisional Certificate of minimum one year for all the products getting covered under Phase III and Phase IV till 30th June 2024
- Suggested that only the worst-case model be tested for family model application
- Required extension in the Timelines for COMSEC.

E-waste (Management) Rules, 2022

- The notification on E-Waste (Management) Rules, 2022, was notified by the Ministry of Environment, Forest, and Climate Change on 02nd November 2022
- COAI met with Shri Ved Prakash Mishra, Director, MOEFCC in this regard.
- Representation has been submitted to Secretary, MoEFCC and Secretary, DoT on the issue.

ComSec Meeting on 02nd May 2023

NCCS issued a meeting Notice regarding the ComSec scheme with the prospective TSTLs and OEMs in respect of designation of Labs, security Testing, and Certification on 02nd May 2023.

Ministry of Defence

- Online portal for processing of Defence (Directorate General of Defence Estate) areas Right of Way applications was launched. Basis the initial challenges encountered by our members, meeting with DDG (Lands), DGDE was held on 28th April 2023. DDG noted down all the issues and confirmed to get them addressed on priority.
- COAI took up the issue of poor Network coverage in the Bhopal Army areas, which was raised by senior officials of Defence. COAI is coordinating with the members for appropriate resolution to address the concerns. Subsequently, a letter dated 17th April 2023, has been issued by the Bhopal Station HQ, listing the earmarked locations for installation of the requisite infrastructure, after getting the necessary approvals from the concerned internal authorities.

Ministry of Power -

A meeting was held with Shri Alok Kumar (Secretary, MoP)

on 7th April 2023, to discuss on the Utilization of Power Sector infrastructure for Telecom Network Expansion, covering aspects of deployment of OPGW fiber along electrical distribution routes, making available dark fiber capacity for the purpose of telecommunications and related points associated with fiber requirement of TSPs. Industry points of 'single billing' and 'Green Open Access' were also discussed and the ministry is looking into them for some workable solution.

State-Wise Updates:

Rajasthan -

Letter submitted to Chief Secretary, on 4th April 2023, requesting for amendments to the provisions of the order on Telecom Infrastructure dated 13th January 2023 (RoW amended rules), issued by Urban Development Department, for aligning the state policy completely with the Central RoW 2022 rules.

Karnataka -

Submission made to Chief Commissioner, BBMP on 5th April 2023, requesting for extension of timelines for pole regularization activity and not for levying any penalty.

Andhra Pradesh -

5th SBC Meeting was held on 26th April 2023, chaired by the Chief Secretary. COAI raised the point of early adoption of RoW amendments as issued by GoI, in the State. In addition, requests for putting Telecom in industrial category for Electricity tariff and facilitating better telecom infrastructure deployment by providing Common Ducts for OFC laying were highlighted during the interaction.

Kerala -

A letter to the Chief Secretary was submitted on 28th April 2023, requesting to facilitate faster and smooth rollout of 5G network across the state. Through the submission, request for sharing of draft policy for industry comments was also made.

Tamil Nadu -

Submission made to Principal Secretary (IT), requesting for suitable instructions be sent to all district bodies, nodal officers and police, that Telecom Infrastructure is being built to provide a robust and future-ready telecom network for the betterment of the state. Hence, there should be no undue hindrances to the development work owing to non-issues like neighbour jealousy, misguided beliefs on EMF, etc.

Arunachal Pradesh -

The 5th SBC Meeting of Arunachal Pradesh was held on 28th April 2023 under the chairmanship of the Chief Secretary. The discussions included the adoption and release of the state's RoW Policy in line with the central RoW amendments.

Nagaland -

COAI submitted comments on the draft Nagaland RoW

Policy, highlighting the alignments and corrections required to address industry issues.

Jharkhand -

COAI submitted a letter on the notification issued by the Dept. of Information Technology and e-Gov, Government of Jharkhand, dated 11th April 2023, regarding Constitution of a Working Committee under the chairmanship of ACS/PS/Secretary (IT), Jharkhand for working towards rolling out 5G services in the state.

Chandigarh -

Subsequent to the notification of the Chandigarh Right of Way Policy for Telecom Infrastructure (Amendment), 2023 dated 15th February 2023, few observations/issues were highlighted by our members, basis which a submission was made to Secretary (IT), Chandigarh to take-up necessary amendments with the UT Administration.

Bihar -

The existing RoW policy was notified by the state in August 2020, and COAI has highlighted issues in the policy during various SBC meetings and other forums. Now, the state has notified a working committee for rolling out 5G services. We have made a submission to Chief Secretary, taking up current industry issues and for making necessary amendments in the Bihar State RoW policy.

Delhi -

A draft on Cellular Tower Policy was released by NDMC on 13th March 2023, and public comments/suggestions were invited on the same by 2nd April 2023. Basis members' inputs/comments received, a formal submission was made to NDMC from COAI. Further, on 17th April 2023, NDMC convened a meeting to discuss the inputs/comments submitted by Industry.

Submission made to Commissioner, MCD on the MCD order issued mentioning that no digging permission will be granted for the roads under MCD jurisdiction from 1st May 2023 to 15th September 2023, owing to the upcoming G20 meetings and related engagements. COAI has requested to allow permission for digging on roads/areas where there are no G20 activities.

Uttar Pradesh -

Members highlighted restrictions in deployment of critical telecommunication infrastructure in Noida and the authority is sending notices to owners of the premises where telecom towers are installed. Formal submission was made to Chief Secretary and CEO, Noida Authority to immediately stop any coercive action, which will result in disruption of telecom services in the district.

Himachal Pradesh -

A State level Coordination Committee meeting was held

with Director, IT on 17th April 2023, to discuss RoW related issues. Support was sought on alignment to Central RoW vAmendment Rules, 2022, Regularisation of Towers, Restrictive processing of RoW application by Shimla Municipal Corporation, Issue of Lease Money, High Restoration Charges, GST implementation, etc.

Punjab -

State Broadband Committee (SBC) meeting was held under the chairmanship of the Chief Secretary on 17th April 2023, to discuss RoW related issues. Submission made for support regarding alignment to Central RoW Amendment Rules, 2022, Regularisation of Towers and other RoW related issues.

Uttarakhand -

State Broadband Committee (SBC) meeting was held under the chairmanship of the Chief Secretary on 17th April 2023, to discuss RoW related issues. COAI highlighted various RoW related issues and reiterated the request to provide copy of amended Uttarakhand RoW Policy Amendment.

GST – Time of Supply in case of payment of spectrum

- Consequent to the spectrum auctions held, on 5th August 2022, DoT assigned the right to spectrum to various telecom operators for a period of 20 years as per well-established practice. On the same lines, DOT provided the option to operators to either pay the entire bid amount upfront or over the period for which it is allotted in instalments (wherein the price includes interest as well).
- The telecom operators opted to make the payment in 20 equal instalments and accordingly paid the first instalment in August 2022, together with the applicable GST on Reverse Charge Mechanism (RCM) basis.
- However, GST authorities in the State of Punjab have issued letters to all the telecom operators questioning why GST should not be paid on the entire bid amount payable, irrespective of the payment option adopted by the operators.
- The same issue (with respect to time of supply of spectrum auction) was also there in the Service tax regime earlier. To avoid multiple interpretations, the Board, vide Circular No. 192/02/2016 Service Tax dated 13th April 2016, clarified the provisions in law and stated that if the assignee (telecom operators) opts for part upfront and the remainder under deferred payment option, then the Service Tax would be payable as and when the instalment payments are due or made, whichever is earlier.
- The provision with respect to applicability of tax on reverse charge under Service tax are alike to those under GST. Thus, the clarificatory elements of this circular should apply equally in the GST regime.

 We have made detailed representation to Revenue Secretary, Chairman CBIC, Secretary DoT and to concerned officers seeking support and clarity on this issue.

Input Tax Credit (ITC) on Equipment Installed on Telecom Towers

- Some State Tax Authorities are proposing to deny ITC on telecom equipment including antenna, base stations, transmitters and other items like DG sets and
- batteries installed on towers, by interpreting that such equipment is to be treated at par with telecom towers.
- Various representations and follow ups have been done by COAI with DoT, TRAI and MoF on this issue. TRAI, as well as DoT, have sent their recommendations to the Revenue Secretary on the same. On 12th April 2023, DG, COAI also had a follow up discussion with Chairman TRAI on the issue. The matter is pending with GST Council for consideration.



Telecom sector dials up Centre to slash levies for 5G viability

The top telcos, through industry body COAI, want the license fee to be brought down to 1% from 3% and the USO levy of 5% be deferred till the Rs.64,774 crore lying in the fund gets exhausted.

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Telcos demand jail for persons selling internet booster devices

Telecom operators have asked the government to make illegal the sale of signal boosters and repeaters on e-commerce platforms a cognizable offence with jail term and fine to check their unregulated use.

Read more

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5G revolution will create a no-collar workforce: COAI

DG COAI explains how technical skills, along with soft skill, will set the career lifecycle in the 5G future and the emergence of the very new workforce called 'no-collar' workforce.

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Spectrum in 6 GHz band key for 5G: COAI

As the government's vision document on 6G includes recommendation for delicensing part of the 6 GHz band for Wi-Fi, the Cellular Operators Association of India (COAI) has reiterated its demand to allocate the spectrum for mobile networks. The association, which represents major telecom operators, argues that the spectrum will help them provide better 5G services at reasonable costs.

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Understatement to say financial health of telcos has improved: Cellular Operators Association of India

COAI chief S.P. Kochhar says average revenue per user (ARPU) for telcos has not increased how it should've for 'healthy industry' & insists spectrum prices be brought down further.

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COAI says telcos being mindful of service quality in 5G rollout

The speed of 5G rollout in India "is the fastest in the world", SP Kochhar, Director General of Cellular Operators' Association of India (COAI) said.

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COAl Events

4th Meeting of the Working Committee for #5G Rollout-Andhra Pradesh



Capacity Building Conference on #5G, Uttar Pradesh





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