

# **Presentation by Association of Competitive Telecom Operators (ACTO)**

## **ACTO's Presentation to Secretary, DoT**

**DoT, Sanchar Bhawan, New Delhi  
12<sup>th</sup> November, 2021**

# Introduction

- ❖ ACTO is an industry association, registered under Societies Registration Act, 1860.
- ❖ Our members provide enterprise data services to multi-sited corporations, Indian BPO/KPO, outsourcing and ITES sector operating global networks under appropriate telecom licenses accorded by Government of India.
- ❖ ACTO is committed to further India's pro-competitive policies and to partner closely with Ministry of Communications & Information Technology, Ministry of Finance and other Ministries , Government Bodies to enhance the stakeholder's engagement with the specific needs of the enterprise segment.
- ❖ Our members:



## Double Taxation

### Issue:

- ❖ The current license mandates TSPs to incur license fee while buying telecom resources from other TSPs although this activity is in B2B mode.
- ❖ License fee levied on B2B transactions results in double taxation.
- ❖ As a general principle, license fees/taxes are to be collected from the end consumers(B2C) mode and deposit the same with the Government/relevant authorities.
- ❖ Double taxation results in a cascading impact of cost passed on by licensee to licensee, thereby increasing the cost of services to the end consumers.
- ❖ Ultimately the consumers are paying the double license fees.

### ACTO's Suggestions:

ACTO suggests to amend the license conditions to remove the double taxation.

- ❖ It will be in line with the policy stated in NDCP-2018 and with the concept of GST to have the input tax credit (ITC).
- ❖ It will ensure uniformity in deductions from GR to AGR for both Voice and data services.

## Issues in the UL-VNO License

1/2

### Issue:

#### 1. Co-Terminus condition in UL-VNO license:

- ❖ UL VNO license mandates different authorizations taken subsequent to the first authorization to be terminated along with the validity of the first authorization.
- ❖ Pay full entry fees but get shortened duration of the subsequent authorizations.
- ❖ No pro-rata rebate in the stipulated entry fee is provided even when the subsequent authorizations will have a reduced validity period.
- ❖ UL VNO license is for 10 years vis a vis other UL licenses for 20 years.
- ❖ A reduced overall term under the UL-VNO license coupled with the co-terminus condition further reduces the validity period of subsequent authorizations.

### ACTO's Suggestion:

ACTO suggests to amend the license to remove co-terminus condition of UL VNO license as it is not only unfair but also against natural justice.

## Issues in the UL-VNO License

2/2

### 2. Multi-Parenting in Wireline Access and Wireless Access:

#### Issue:

- ❖ Multi-parenting is allowed in all service authorizations except for some access services in the UL VNO License.
- ❖ This restriction is a key bottleneck for the growth of UL VNO in India.
- ❖ UL VNO licensees are not able to provide best possible/available services to the customers due to this restriction.
- ❖ Last year, DOT had allowed multi-parenting for UL VNO Access category B (wireline) only, resulted in a non-level playing condition by having different rules for the same service among access service authorizations under the UL VNO license.

#### ACTO's Suggestion:

ACTO suggests to amend the license to allow multi parenting for all categories of UL VNO access service authorizations in line with other authorizations.

## Centralized Inspection/Audit by LSAs for PAN India Telecom Licensees

### Issue:

- ❖ A lot of redundancy/ duplicity of works on periodic inspection/audit are conducted by various LSAs on the same TSP.
- ❖ It also leads to variances of interpretations among LSAs.
- ❖ Centralized inspection/audit process will be much faster and objective as compared to the current practice.

### ACTO's Suggestions:

- ❖ ACTO requests to allow centralized inspection/audit for PAN India licensees.
- ❖ It will save time for both the DoT and TSPs, making the process more efficient.
- ❖ Centralized Audit will introduce uniformity by way of eliminating the variances of interpretations among LSAs.
- ❖ It will also reduce the difference in interpretation as well as to & fro communications between LSA & DoT HQ, which may not be required for.
- ❖ TSPs will be able to ensure with ease that all the required information is available at one place for conducting the inspection/audit process.
- ❖ The DoT's CCA wing under Licensing Finance also follows the same process with respect to License Fees submission, assessment & other related functions.
- ❖ Our suggestion is in line with the initiative taken by the Government of India towards enabling ease of doing business in India.

## Simplification of the Process on Remote Access (RA) Approval

### Issue:

- ❖ The current process of obtaining prior approval for remote access is very time consuming and complex.
- ❖ There is continued / inordinate delays in securing approvals.
- ❖ Remote Access (RA) is crucial part of enterprise data service network as the monitoring and maintenance activity is highly dependent on RA approval.
- ❖ With the advent of technology, networks are getting transformed to Software Defined Networks and therefore demand agility, resiliency and in built redundancy.

### ACTO's Suggestion:

- ❖ The current process need to be simplified by allowing prior-intimation or post-intimation (within a specific time period say 30 days) over the existing prior approval.

## Issues with Emerging Technologies

### **Issue:**

Current license/policies are largely written with a focus on consumer/retail voice segment and do not necessarily serve the needs of enterprise data customer networks and services.

The specificities of the enterprise sector need to be weighed . We foresee some future / emerging technologies that will play a very important role in the telecom sector and these are:

Software Defined Networks (SDN), Network Function Virtualization (NFV), Software Defined Wide Area Network (SD-WAN, Internet of Things (IoT), Machine to Machine Communications (M2M) and Cloud Computing(CC) to Edge Computing (EC) etc.

### **ACTO's Suggestions:**

Licensing condition should be technology neutral with light touch of regulation. The following policy/regulatory restrictions are to be looked into for the removal from the existing license conditions:

1. Not allowed VOIP to ISPs as it is allowed to Access Service Providers.
2. Restriction in IP connectivity with PSTN in ILDO/NLDO license.
3. Internet connectivity not permitted to create a Virtual Private Network
4. Policy should allow hybrid mode of operation (use of public internet and private lease line) for the roll out of SD-WAN.





Thank you !!

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