

Differential licencing in Telecom

November 6, 2020

In news:

Telecom operators have collectively opposed any move to introduce differential licensing via the unbundling of various layers.

More information:

- It is argued that the proposal goes against regulatory consistency and would have unpredictable impact on investments made, leading to investor uncertainty.
- The operators and the industry body Cellular Operators Association of India (COAI) have asserted that such **unbundling is neither necessary nor desirable.**
- Implementing another licensing framework would create ambiguity and additional challenges and deter investments.
- A converged license for network and service layer offers clarity, and certainty to an operator making investment in the network.
- It has been opined that any move to split the functions would be “regressive” and increase the sector’s compliance burden.
- The differential licensing goes against the principles of regulatory predictability and consistent policies.
- The ‘Unified Licensing regime’ is the culmination of many evolutionary steps and is more feasible.
- Priority areas like strengthening telecom infrastructure and broadband services would require enormous fund infusion.
- Hence the government needs to provide incentives, reduce regulatory cost, provide appropriate policy and

financial stimulus to the existing telecom service providers under the current licensing framework rather than changing the licensing regime itself.