



Recommendations on “Licensing Framework and Regulatory Mechanism for Submarine Cable Landing in India” by TRAI

The Telecom Regulatory Authority of India (“**TRAI**”) through a notification dated June 19, 2023, released recommendations on the Licensing Framework and Regulatory Mechanism for Submarine Cable Landing in India (“**Recommendations**”).

Submarine communication cables laid on the seabed are considered critical assets in a fast-paced digital global economy and are imperative for any country's communication grid empowering its business and economic operations. The web of submarine communication cables traverses the maritime zones of several countries connecting people and businesses across the globe.

TRAI had sought recommendations from the Department of Telecommunications (“**DoT**”) on licensing framework and regulatory mechanism for service providers that set up cable landing stations (“**CLS**”) and lay submarine cables in India with existing International Long Distance (“**ILD**”) authorization under the Unified License (“**UL**”) and standalone ILD license (collectively referred to as “**ILD Operators**”). In response, DoT had raised concerns that recently some Indian ILD operators who did not have any stake in submarine cable system were seeking clearance on behalf of the owners of submarine cable for laying/ maintaining such cables in India and were also applying for setting up of CLS for such submarine cables.

The other issues that came to light were as follows:

- 1) The need for Indian flagged vessel for submarine cable operation and maintenance;
- 2) The necessity to bring about provisions for domestic submarine cable between 2 (two) or more cities on the coastline of India;
- 3) The need to have better clarity on terrestrial connectivity between different CLS.

Accordingly, TRAI had issued a consultation paper on ‘*Licensing Framework and Regulatory Mechanism for Submarine Cable Landing in India*’ on December 23, 2022, and based on the comments received from various stakeholders, TRAI released these Recommendations.

The Recommendations broadly cover the following issues:

- 1) The need to amend the ILD/Internet Service Provider Category ‘A’ authorization (with international internet gateway) of the UL to include 2 (two) categories of CLS locations, i.e., main CLS and CLS point of presence (“**CLS-PoP**”).
- 2) The need to issue revised and detailed guidelines and applications for setting up main CLS and CLS-PoPs respectively, for submarine cables landing in India under the respective licenses and authorizations by incorporating the provisions in the Recommendations.

- 3) The need to constitute a committee to study and recommend the different financial viability models for Indian flagged repair vessels including possible incentives from the government. This committee is to be entrusted with the task of suggesting ways to facilitate and incentivize setting up of these cable depots.
- 4) The need to identify cable depots in the west and east coastline for storage of submarine cable and the necessary equipment/kit required for carrying out cable repairs.
- 5) The need for ILD and National Long Distance authorisations under the UL to explicitly mention that terrestrial connectivity is permitted between different CLSs.
- 6) The ILD licensee/authorisation is required to clarify that transit international traffic not meant to be terminated in India will be permitted to be transited to other submarine cables through terrestrial as well submarine cable links.
- 7) The need to accord the status of “essential services” to CLS and submarine cables operation and maintenance services.
- 8) The need to exempt custom duty and Goods and Services Tax on the goods and items required for CLS, submarine operation and maintenance.
- 9) The need to add a provision in the Indian Telecommunication Bill, 2020 to promote, protect and prioritize CLS and submarine cable development in India and to consider that the damage to sub-sea infrastructure as deemed damage to critical infrastructure of national importance and be strictly dealt under the Indian laws.

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