

For Immediate Release

**Telecom Regulatory Authority of India**

**TRAI Releases Recommendations on “Captive VSAT CUG Policy issues”**

**New Delhi, 18<sup>th</sup> July, 2017** – The Telecom Regulatory Authority of India (TRAI) today issued its recommendations on “**Captive VSAT CUG Policy issues**”.

2. TRAI received a reference from the Department of Telecommunications (DoT) on dated 17<sup>th</sup> March, 2016. Through the reference DoT had sought the recommendations of TRAI on minimum License Fee in respect of 2<sup>nd</sup> Hub in Captive VSAT Closed User Group (CUG) network and terms and conditions of Captive VSAT CUG License.

3. After receiving the reference, the Authority consulted some of the Captive VSAT licensees who raised some additional issues related to applicability of Royalty charges and procedural delay in approvals in augmentation of bandwidth for Captive VSAT. The Authority included these issues also in the consultation, so as to provide comprehensive recommendations on issues concerning Captive VSAT licensees.

4. The Authority issued a Consultation Paper on ‘Captive VSAT CUG Policy issues’ on 28<sup>th</sup> October, 2016, seeking comments of the stakeholders. Written comments on the Consultation Paper were invited from the stakeholders by 9<sup>th</sup> December 2016 and counter-comments by 16<sup>th</sup> December 2016. The Authority received comments from seven stakeholders and counter comment was received from one stakeholder. An Open House Discussion (OHD) was convened on 19<sup>th</sup> January 2017.

5. The Authority has formulated its recommendations based on inputs received from the stakeholders, views expressed during the OHD and its own internal analysis. The salient features of the recommendations are:

- Levy of separate licence fee for 2<sup>nd</sup> hub for Captive VSAT should be done away with;
- Present annual license fee at @ Rs. 10,000/- per VSAT terminal as being charged presently for VSAT terminals connected to first Hub shall be maintained for both the first and the second Hub and without levy of any minimum licence fee.
- The Entry Fee for Captive VSAT license may be reduced by 50% i.e. from Rs. 30 Lakh to Rs. 15 Lakh.
- FBG equivalent to License Fee for two quarters may be charged from Captive VSAT licensee.



- Royalty charge for Captive VSAT terminals should be calculated in line with the formula given in DoT circular dated 22<sup>nd</sup> March 2012. In the formula for calculation of Royalty charge, annual royalty factor needs to be multiplied by bandwidth factor and number of carriers assigned only.
- There is no justification for charging additional 25% amount as reuse factor for number of VSATs more than the number of carriers. These charges should be eliminated for calculation of Royalty charges. Accordingly, DoT may issue necessary clarification in this regard.
- In case delay in allotment of corresponding ground segment frequency by WPC extend beyond 3 months from the date of allotment of space segment by DoS, the space segment charges payable by licensee to DoS may be borne by DoT till the time allocations/ clearances by WPC/ DoT/ NOCC are completed.
- Procedure for augmentation of bandwidth for Captive VSAT licensee shall be at par with those of Commercial VSAT, NLD, ILD licensees. Augmentation should be cleared at the level of NOCC and WPC only (not at the level of Apex Committee).
- Validity of WOL for Captive VSAT licensee should be for a period of 5 years at a time, instead of annual at present.
- The restriction/Cap of 512Kbps/2Mbps per VSAT as maximum data rates for Captive VSAT should be revised upwardly and accordingly DoT/TEC may revise its specifications.

6. The recommendations on **“Captive VSAT CUG Policy issues”** have been placed on TRAI’s website [www.trai.gov.in](http://www.trai.gov.in)

7. For any clarification/ information Shri Sanjeev Banzal, Advisor (Networks, Spectrum and Licensing), TRAI may be contacted at Tel. No. +91-11-23210481 or email at [advmn@trai.gov.in](mailto:advmn@trai.gov.in)

  
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