

## **Information Note to the Press (Press Release No. 63/2024)**

For Immediate Release

### **Telecom Regulatory Authority of India**

#### **TRAI releases Recommendations on the 'Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023'.**

**New Delhi, 18<sup>th</sup> September 2024** – The Telecom Regulatory Authority of India (TRAI) has today released **Recommendations on the 'Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023'**.

2. The Department of Telecommunications (DoT) through a letter dated 21.06.2024 informed TRAI that the Telecommunications Act, 2023 has been published in the Official Gazette of India; and the Section 3(1)(a) of the Act provides for obtaining an authorisation by any entity/ person intending to provide telecommunication services, subject to such terms and conditions, including fees or charges, as may be prescribed. With the letter, DoT also shared a background note on related aspects, including relevant sections of the new Act that may have a bearing on the terms and conditions of authorisations.

3. The Department of Telecommunications (DoT), through the said letter dated 21.06.2024, under Section 11(1)(a) of the TRAI Act, 1997 (as amended), requested TRAI to provide recommendations on terms and conditions, including fees or charges, for authorisation to provide telecommunication services as per the provisions of the Telecommunications Act 2023.

4. In this regard, the Authority issued a **Consultation Paper on the 'Framework for the Service Authorisations to be Granted Under the Telecommunications Act, 2023' on 11.07.2024** providing the background information, and seeking comments and counter comments from stakeholders on 61 issues raised in the consultation paper. The last date for furnishing comments and counter comments initially was 1<sup>st</sup> August 2024 and 8<sup>th</sup> August 2024, respectively. However, on the request of many stakeholders the last date for furnishing written comments and counter comments was extended to 8<sup>th</sup> August 2024 and 16<sup>th</sup> August 2024, respectively.

5. In response to the issues raised in the consultation paper, 48 stakeholders furnished comments, and 17 stakeholders furnished counter comments. As part of the consultation process, TRAI conducted an Open House Discussion (OHD) on the consultation paper through virtual mode on 21.08.2024. After the OHD, seven stakeholders furnished additional written submissions. During the consultation process, stakeholders participated very actively and provided detailed inputs in response to the issues raised in the consultation paper. In all, 21 associations, 22 service providers, six companies and organisations, and one Consumer Organisation furnished written submissions running over 1700 pages, while over 250 participants attended the OHD.

6. Based on the comments received from stakeholders during the consultation process, and on its own analysis, TRAI has finalized the **Recommendations on the 'Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023'**. These recommendations are aimed at a significant revamp of the existing telecommunication service licensing regime in the country and at fostering growth and enhancing ease of doing business in the sector. Through these recommendations, the Authority has recommended a new service authorisation framework, apart from detailed terms and conditions of various service authorisations to be granted under the Telecommunications Act, 2023.

7. The recommendations on the 'Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023' consist of four chapters, running into over 350 pages. The terms and conditions to be included in the different Rules for different service authorisations have also been recommended. In total, there are 14 Rules for recommended service authorisations running into 440 pages. Salient points of these recommendations are given below:

- (a) The Central Government should grant Service Authorisation under section 3(1) of the Telecommunications Act, 2023 instead of entering into an agreement with the entity.
- (b) The authorisation should be a concise document, containing the essential elements and the terms and conditions for a service authorisation should be prescribed through the Rules to be notified under the Telecommunications Act, 2023.
- (c) The Broad contours of various service authorisations including the eligibility conditions, scope of service, validity period etc. should be in the form of rules for Grant of Service Authorisations.

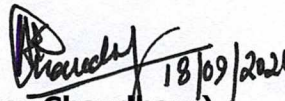
- (d) The Authority has recommended three broad categories of telecommunication service authorisations namely,
- Main service authorisations
  - Auxiliary service authorisations
  - Captive service authorisations
- (e) The main service authorisations cover all primary telecommunication services that are involved in the delivery of telecommunication services to public at large such as Access Services, Internet services, Long Distance Services, Satellite based telecommunication services and M2M WAN services.
- (f) All main service authorisations can be granted in two sub-categories viz. Network Service Operator (NSO), and Virtual Network Operator (VNO). For the VNOs, multi-parenting with Access Service NSOs has been permitted except for wireless services, where parenting can be with only one Network Service Operator (NSO).
- (g) Auxiliary service authorisations include all other existing service authorisations (other than Captive services), which are in general provided to the enterprise users and not to public at large and have very light touch regulatory oversight It includes services such as PMRTS, PM-WANI, M2M Service and M2M service and WPAN/ WLAN Connectivity Service, Enterprise Communication Services, IFMC, Data Communication Service between Aircraft and Ground Stations, etc. Each service authorisation will be governed by different terms and conditions which has to prescribed through different Rules for each service authorisation.
- (h) Captive service authorisation covers the service authorisations for establishment of captive network after obtaining assignment of spectrum from Central Government, such as CMRTS, CNPN, Captive VSAT CUG etc. Each service authorisation will be governed by different terms and conditions to be prescribed through different specific Rule for each service authorisation.
- (i) Under the new authorisation framework, 'Unified Service Authorisation' has been introduced to achieve the objective of 'One Nation - One Authorisation' across services and service areas. An entity holding Unified Service Authorisation can provide mobile service, internet service, broadband service, landline telephone service, long-distance service, satellite communication service, Machine to Machine (M2M) and IoT service etc. on a pan-India basis under a single authorisation. Unified Service authorised entity will have complete flexibility for routing its domestic traffic.
- (j) In its recommendation TRAI has also asked the Central Government to provide a glide path leading to financial accounting and reporting, assignment of numbering

- resources, assignment of spectrum at a National level for Unified Service authorised entity.
- (k) The use of Non-Terrestrial Network (NTN) has been permitted in the scope of Access Service.
  - (l) The scope of Internet Service authorisation under the new authorisation framework has been enhanced to include the provision of leased lines and virtual private networks. This will permit the Internet Service Providers to better utilise and monetise their network resources.
  - (m) Under the new authorisation framework, National Long Distance (NLD) service and International Long Distance (ILD) service have been merged in a single authorisation namely, 'Long Distance Service Authorisation'. This Authorisation also permits the establishment of ILD Gateway as well as Cable Landing Stations for both domestic and international submarine cables. Carrying domestic traffic through submarine cables connecting two coastal cities of India has been allowed in 'Long Distance Service Authorisation'.
  - (n) Under the new authorisation framework, Commercial VSAT-CUG service and GMPCS have been merged in a single authorisation namely, 'Satellite-based Telecommunication Service Authorisation'. The extant restriction on VSAT operators to provide services to only closed user group (CUG) has been removed under the new authorisation framework. Both VSAT based FSS and GMPCS service have been included under the scope of Satellite-based Telecommunication Service Authorisation.
  - (o) Satellite-based Telecommunications Service providers will also be permitted to make use of the satellite earth station gateways established in India for providing service in foreign countries, after obtaining permission from the Government of India.
  - (p) It has been clarified that provision of emergency SOS messaging services via satellite is covered under the scope of the extant GMPCS service authorisation as well as in the Satellite-based Telecommunications Service authorisation under the new framework.
  - (q) The Authorised entities have been permitted to take telecommunication resources on lease or hire from cloud service providers, which are either empanelled by the Ministry of Electronics and Information Technology (MeitY), Government of India as cloud service providers, or are authorised under Section 3(1) of the Telecommunications Act, 2023. The cloud is to be situated in India.
  - (r) The Authorised entities, particularly the small and medium sized entities, can benefit from the cloud-based infrastructure of the third parties, in terms of reduced cost,

- improved network resilience, reduced time-to-market and optimisation of the network capacities on a need basis.
- (s) Authorised entities have been allowed to share all active and passive infrastructure amongst themselves.
  - (t) Under the new authorisation framework, the scope of extant Audio Conferencing/ Audiotex/ Voice Mail Service authorisation has been enhanced to include Cloud-based EPABX Service, and the authorisation has been renamed as 'Enterprise Communication Service Authorisation'.
  - (u) Under the new authorisation framework, the extant M2M service provider registration and M2M WLAN/ WPAN connectivity provider registration have been merged into a single authorisation namely, 'M2M Service and M2M WLAN/ WPAN Connectivity Service Authorisation'.
  - (v) Framework for permitting smooth migration of existing service providers to the new authorisation regime, on voluntary basis, has been recommended.
  - (w) In a further effort to support the industry, elimination of entry fee at the time of renewal of authorisation has been recommended. This step is poised to alleviate the financial burden on both existing and new players, particularly benefiting Virtual Network Operators, thus ensuring smoother operations and a more dynamic telecom landscape.
  - (x) The entry fee for different service authorisations have been significantly reduced, which is expected to open the doors for new service providers, drive fresh investments, and boost competition within the telecom market.
  - (y) For the Main Service authorisations, Entry Fee has been recommended as -
    - Access Service Authorisation: Entry Fee reduced from Rs. 1 crore to Rs. 50 Lakhs for each telecom circle/ Metro area; from Rs. 50 lakhs to Rs. 25 lakhs for J&K and North-East each.
    - Internet Service Authorisation: For Category-A: Entry Fee reduced from Rs. 30 lakhs to Rs. 20 lakhs; for Category-B: Entry Fee reduced from Rs. 2 lakhs to Rs.1 lakh for each telecom circle and Rs. 50 thousand for J&K and North-East each; and Category-C: No Entry Fee
    - M2M WAN Service Authorisation (Category-A, B, C): No Entry Fee
    - Unified Service Authorisation: Entry Fee at Rs. 12 crores
    - Long Distance Service Authorisation: Entry Fee at Rs. 1 crore
    - Satellite-based Telecommunication Service Authorisation: Entry Fee at Rs. 50 lakhs

- (z) For Auxiliary Service Authorisations and Captive Service Authorisations, Entry Fee has been recommended as -
- PMRTS Authorisation: Entry Fee reduced from Rs. 50 thousand to Rs. 20 thousand for each telecom circle/ Metro area
  - Enterprise Communication Service Authorisation: No Entry Fee
  - Data Communication Service between Aircraft and Ground Stations: Entry Fee at Rs. 1 Lakh
  - Captive VSAT FSS: Entry Fee reduced from Rs. 15 Lakh to Rs. 7.5 Lakh
- (aa) The Entry Fee for VNO Service Authorisations reduced substantially to promote competition and improved provision of services.
- (bb) For authorisations having provisions of both Financial Bank Guarantee (FBG) and Performance Bank Guarantee (PBG), FBG and PBG should be merged into a single Bank Guarantee.
- (cc) For enhancing the ease of doing business, simplified format for Statement of Revenue, Self-certificate in place Affidavit along with statement of Revenue, and adoption of electronic Bank Guarantee (eBG) has been recommended.
- (dd) The merging of bank guarantees and replacing the Affidavit with a Self-Certificate is expected to simplify procedures and enhance the ease of doing business.
- (ee) The concerns of stakeholders that the Government may make amendments to the terms and conditions of the authorisation in a unilateral manner were noted. To provide regulatory stability, it has been recommended that for any substantial change(s) in the terms and conditions of the authorisations, except for the reason of the interest of the security of the State, the Central Government should seek TRAI's recommendations. This would also bring more transparency in the process.

8. The Recommendations have been placed on the TRAI's website ([www.trai.gov.in](http://www.trai.gov.in)). For any clarification/ information Shri Akhilesh Kumar Trivedi, Advisor (Networks, Spectrum and Licensing), TRAI may be contacted at Telephone Number +91-11-20907758.

  
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