

BY SPEED POST
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F. (4)/DGTEMA/TRAI/2012

To:
Shri Sudhir Gupta,
Principal Adviser (MS),
Telecom Regulatory Authority of India
New Delhi

Subject:- COMMENTS ON THE CONSULTATION PAPER NO. 03/2012 ON 'DRAFT GUIDELINES FOR UNIFIED LICENCING / CLASS LICENCE AND MIGRATION OF EXISTING LICENCES' CIRCULATED ON 10th FEB. 2012

Dear Sir,

We would like to submit our clause wise comments on the Consultation Paper as below:

CLAUSE 2.3 (NET-WORTH REQUIREMENTS)

The combined net-worth requirement is proposed to be Rs.25 crore for National level Unified License, Rs.2.5 crore for each Service area level Unified License and Rs.25 lakh for each District Level Unified License.

The net-worth requirement as prescribed above in case of Service Area licenses and District Level Unified licenses are high and may be prohibitive for new entrepreneurs intending to enter this sector. This will result in restricting the competition and open up the sector only for big players. We, therefore, suggests that the net-worth requirement for each of the three categories of licenses should be as given below:

Type of License	Net-worth requirement	Total Minimum Net-worth required for more than one License areas
National level Unified License	Rs.25 crores	
Service area level Unified License	Rs.1.5 crore for each service	(Rs. In crore) 1.5 x Number of service areas for which either LOI/License have been issued and applied for in the name of applicant.
District level Unified License	Rs.10 lakh for each district	(Rs. In lakh) 10 x Number of districts for which either LOI/License have been issued and applied for in the name of applicant



Office of the Director General :

CLAUSE 4 (ENTRY FEE)

The registration mechanism should continue for the **existing infrastructure providers (IP1)** and hence entry fee should not be applicable to them under unified license regime .

CLAUSE 11.2 (LICENSE FEE)

The clause suggests that from the 2nd year of the effective date of Unified License, the license fee shall be subject to a minimum of 10% of the entry fee paid.

TEMA suggests that a reasonable gestation period of two years for new entrants should be provided. Thus the effective date for levying the minimum licenses fees should start from the 3rd year only.

Chapter III : Draft Guidelines for Migration of Existing Licences

Clause 10: *IP-I shall be covered under Unified License. The existing IP-I providers would be required to take the Unified Licence as soon as the same comes into being and the conditions in the Unified Licence will apply to IP-I provider too. IP-I shall have to pay the prescribed entry fee to take the Unified Licence.*

TEMA Comments:

It is suggested that the existing registration mechanism of IP1 should continue.

With regards
Yours sincerely,



Ashok K. Aggarwal
Hony. Director General