

AA+ Consultants

C-6/442 Yamuna Vihar, Delhi – 110053

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Shri Akhilesh Kumar Trivedi,
Advisor (Networks, Spectrum and Licensing),
Telecom Regulatory Authority of India
4th, 5th, 6th & 7th Floor, Tower-F,
World Trade Center, Nauroji Nagar,
New Delhi – 110029

Sub: **Response to TRAI Consultation Paper on “The Framework for Service Authorization to be granted under the Telecommunications Act, 2023”**

Dear Sir,

Kindly find attached herewith response to TRAI Consultation Paper on “The Framework for Service Authorization to be granted under the Telecommunications Act, 2023.

Kind regards,

For **AA+ Consultants**



Radhakrishnan Kunchu
Authorized Signatory

AA+ Consultants response to TRAI Consultation Paper on " the Framework for Service Authorizations to be Granted Under the Telecommunications Act, 2023 "

Q1. For the purpose of granting authorisations under Section 3(1) of the Telecommunications Act, 2023, whether the Central Government should issue an authorisation to the applicant entity, as is the international practice in several countries, in place of the extant practice of the Central Government entering into a license agreement with the applicant entity? In such a case, whether any safeguards are required to protect the reasonable interests of authorized entities? Kindly provide a detailed response with justifications.

Response:

In accordance with the provisions of the new Telecommunications Act 2023 specifically Section 3 provides that any person, intending to provide telecommunication services, shall obtain an authorisation from the Government subject to such terms and conditions including fees or charges, as may be prescribed. From aforesaid provision of the new Act , statutorily there is no other option for the Central Government but to issue permission/authorization to provide telecom services by way of issuance of authorization document irrespective of the global practice.

Yes safeguards are required to protect the reasonable interests of the proposed Authorized Entities.

In the earlier Act, the services are being licensed by Licensor ie DoT by entering into license agreement with Licensees who wish to provide the services . The terms and conditions of such license agreement are , as recommended by TRAI under Section 11 of the TRAI Act and as approved by the Government. If any change in terms and conditions of the license agreement is required to be done, the same requires consultation with TRAI and TRAI recommends on the changes after consulting all the stakeholders. Thus there is a system of check & balance and reasonable regulatory certainty when a licensee signs a license agreement for a service. It is for this reason only of Section 11 TRAI Act requirement that the Central Government has sent a reference to TRAI to recommend terms and conditions of the Rules to be prescribed under the new Act for provision of telecom services. To safeguard the interest of the proposed Authorized Entities , it should be clearly mentioned in the draft Rules containing the terms and conditions of the Authorization that any change in the Rules in respect of the terms and conditions of the Authorization will be done only after following the process required under Section 11 of the TRAI Act of consulting TRAI. This will bring in regulatory certainty as well as transparency in the licensing process and will remove probability of any unilateral change in the terms and conditions of authorization and will go a long way in protecting interest of the proposed Authorized Entities. One more step which can be taken in this regard is that the authorization document to be issued by the Government under the new Act should be deemed to have the nature and character of a contract as in the earlier regime. This would give more balance in the relationship between the Authorizer (Licensor) and the Authorized Entity (Licensee).

Q2. Whether it will be appropriate to grant authorisations under Section 3(1) of the Telecommunications Act, 2023 in the form of an authorisation document containing the essential aspects of the authorisation, such as service area, period of validity, scope of service, list of applicable rules, authorisation fee etc., and the terms and conditions to be included in the form of rules to be made under the Telecommunications Act, 2023 with suitable safeguards to protect the reasonable interests of the authorised entities in case of any amendment in the rules? Kindly provide a detailed response with justifications.

Response:

We do not agree with including only the essential aspects of the authorisation, such as service area, period of validity, scope of service, list of applicable rules, authorisation fee etc., and the remaining terms and conditions to be included in the form of Rules to be made under the Telecommunications Act, 2023 as this would lead to ambiguity, uncertainty and lack of transparency. It is our submission that Authorization document under the new Act, which is equivalent to license agreement under the old Act, should contain all the terms and conditions of such authorization for the reason of transparency and business /regulatory certainty. Provision of telecom service is an infra intensive business and it is desirable to have regulatory certainty in the terms of Authorization for these services. Referring to any applicable Rules will make the Authorization document vague and uncertain. Applicable Rules which are made for the purpose of grant of such Authorization or which include terms of such authorization should be governed by extant provisions of the new Telecom Act as well as Section 11 of the TRAI Act to safeguard the interests of the proposed Authorized Entities and Rules should be promulgated only after consulting TRAI as per Section 11 of the Act . Any change in the applicable Rules prescribing terms and conditions of the Authorization should be done after following process under Section 11 of the TRAI Act and same needs to be specifically mentioned in the terms and conditions of Authorizations for services as well as in the Rules.

Irrespective, all the applicable Rules which form part of or impact terms and conditions under which Authorization will work, operate and service will be provided by the Authorized Entities, such applicable Rules should be framed only post due consultation with TRAI under Section 11 of the TRAI Act and any changes in the terms and conditions of such Applicable Rules should also follow the same process. This is sine qua non for achieving the regulatory certainty and to rule out any arbitrariness in the functioning of the new authorization regime.

Q3. In case it is decided to implement the authorisation structure as proposed in the Q2 above, - (a) Which essential aspects of authorisation should be included in authorisation documents?

(b) What should be the broad category of rules, under which, terms and conditions of various authorisations could be prescribed?

(c) Whether it would be appropriate to incorporate the information currently provided through the extant Guidelines for Grant of Unified License and Unified License for VNO, which included, inter-alia, the information on the application process for the license, eligibility conditions for obtaining the license, conditions for transfer/ Merger of the license etc., in the General Rules under the Telecommunications Act, 2023?

(d) What could be the broad topics for which the conditions may be required to be prescribed in the form of guidelines under the respective rules? Kindly provide a detailed response with justifications.

Response:

We do not agree with shortening of the Authorization document as above and same should be as comprehensive as the present day applicable license agreement as no visible benefit is seen from shortening of the authorization document.

- a) Without prejudice to above, if such a precisement of Authorization document is proposed , such Authorization document should contain scope of service ,service area, period of validity, Renewal of authorization, modification in terms and conditions of Authorization, Applicable Entry / Authorization Fees & Applicable list of Rules.
- b) Broad Category of Rules can be General Conditions of Authorization, Financial Conditions of the Authorization including tariff, Technical Conditions of Authorization, Operating Conditions of Authorization, Security related conditions of Authorization and Rules for Spectrum Allocation & Usage. All these Rules should be framed in consultation with TRAI under provisions of Section 11 of the TRAI Act and no changes to such Rules be made by the Central Government without following the due process of consulting TRAI. This will ensure transparency and a system of check and balances , as envisaged in the statutory scheme.
- c) It would be appropriate that separate Guidelines are issued for Grant of Authorization which include, inter-alia, the information on the application process for the authorization , eligibility conditions for obtaining the authorization, conditions for transfer/ Merger of the authorization etc. The process for grant of authorization should be simple and time bound and it should be possible to apply and get authorization electronically.
- d) Not applicable in view of response to c) above.

Q4. In view of the provisions of the Telecommunications Act, 2023, what safeguards are required to be put in place to ensure the long-term regulatory stability and business continuity of the service providers, while at the same time making the authorisations and associated rules a live document dynamically aligned with the contemporary developments from time to time? Kindly provide a detailed response with justifications.

Response:

Previous License Regime was introduced in 2013 for Unified License and UL VNO License in the year 2016. Comprehensive changes were done in the year 2021 as part of telecom reforms wherein contentious license fee related issues were simplified in accordance with TRAI recommendations of 2015. Since a new Authorization regime is being promulgated under the new Telecom Act 2023 in place of existing unified license regime under the old Act, it gives us an opportunity to make changes in the regime wherever required . However, despite the importance of the issues involved and their long term ramifications, time in which this very important Consultation is being conducted is very short and it is our submission that any hurried consultation is an incomplete consultation and we require a more comprehensive consultation

paper on the issues to have a meaningful and fundamental changes in the licensing regime . Having said that it is our submission that any changes from the terms and conditions in the existing license regime while devising new Authorization regime should be such that it should better than existing terms in the old regime and new Regime should provide for an almost automatic path for migration to the new regime depending upon willingness of the licensee.

Frequent changes in the Authorization regime should be avoided in the interest of regulatory certainty and stability once the terms are decided. Any change in the terms of the Authorization including changes in the Applicable Rules for the Authorization should be done in consultation with TRAI as per provisions of Section 11 of TRAI Act and that this would be done, should form part of the Authorization document to be issued by the Central Government to the Authorized Entity .

There should not be any unilateral power with the Government to change the terms of Authorizations and/or applicable Rules in the name of making the authorisations and associated rules a live document dynamically aligned with the contemporary developments from time to time and changes should be made as per statutory scheme and with total transparency and in a non- discriminatory manner.

Q5. In addition to the service-specific authorisations at service area level, whether there is a need for introducing a unified service authorisation at National level for the provision of end-to-end telecommunication services with pan-India service area under the Telecommunications Act, 2023? Kindly justify your response.

Response:

Yes... In addition to the existing service-specific authorisations at service area level, there is a need for introducing a unified service authorisation at National level for the provision of end-to-end telecommunication services with pan-India service area under the Telecommunications Act, 2023. Such authorisation should also include satellite-based telecommunication services in its scope. This may enable an efficient network design, optimization of infrastructure by eliminating duplicate/ redundant infrastructure and provision of full range of services using any media. Such a unified service authorisation could include in its scope the provision of all kinds of services including Access Service, Internet Service, NLD Service, ILD Service, Mobile Radio Trunking Service, Satellite-based Telecommunication Services, etc., so that the authorized entity may provide end-to-end telecommunication services, which are permitted under the Telecommunications Act, 2023, without the need for any other separate authorisation. While this new authorization would meet the requirement of four pan India TSPs and some others , for other Service Providers in the industry the existing service-specific authorisations at service area level needs to be continued including UL-VNO Cat B and ISP Cat C authorizations which are of the lowest denomination in the pecking order. However while devising such Unified service authorization at pan India level it needs to be ensured that there is a level playing field between these National level authorized Entities vis-à-vis those authorized Entities having lesser authorizations either in terms of Services or Service Area or both. It also needs to be ensured that spectrum allocation and interconnection are required to be met at LSA level itself. Lastly the applicable Rules made under various provisions of Telecom Act 2023 regarding privileges and obligations under the Authorizations should apply

without discrimination to all categories of Authorized Entities and all such applicable Rules shall be framed in consultation with TRAI as per Section 11 of the TRAI Act.

Q6. In case it is decided to introduce a unified service authorisation at National level for the provision of end-to-end telecommunication services-

(a) What should be the scope of service under such an authorisation?

Response:

Unified service authorisation could include in its scope the provision of all kinds of services which require authorization like Access Service, Internet Service, NLD Service, ILD Service, Mobile Radio Trunking Service, Satellite-based Telecommunication Services, M2M services etc. List of services which require authorization also need to be reviewed particularly those services which use authorized telecom resources only as an input service for providing application services and such services should not be required to take any authorization. Audioconferencing Service is one such service which presently requires a license and since this is not in the nature of telecom services but an OTT service using authorized telecom resources as an input this service need not be included in the list of services requiring authorization.

(b) What terms and conditions (technical, operational, security related, etc.) should be made applicable to such an authorisation?

Response:

The existing terms in the UL regarding technical, operational and security related issues are required to be made applicable to the National Level Unified Authorization with some of authorization obligations particularly related to security, interconnection required to be fulfilled at LSA level. Also RoW related issues will continue to be dealt at the LSA/State level.

(c) Would there be a need to retain some of the conditions or obligations to be fulfilled at the telecom circle/ Metro area level for such an authorisation?

Response:

Yes ... As per above.

(d) Should assignment of terrestrial access and backhaul spectrum be continued at the telecom circle/ Metro area level for such an authorisation?

Response:

Spectrum allocation should be continued at the telecom circle/ Metro area level .

(e) Any other suggestion to protect the interest of other authorised entities/ smaller players upon the introduction of such an authorisation. Kindly provide a detailed response with justification.

Response: No comment

Q7. Within the scope of Internet Service authorisation under the Telecommunications Act, 2023, whether there is a need for including the provision of leased circuits/ Virtual Private Networks within its service area? Kindly provide a detailed response with justifications.

Q8. In case it is decided to enhance the scope of Internet Service authorisation as indicated in the Q7 above, -

(a) What should be terms and conditions (technical, operational, security related, etc.) that should be made applicable on Internet Service authorisation?

(b) Any other suggestion to protect the reasonable interests of other authorised entities upon such an enhancement in the scope of service. Kindly provide a detailed response with justifications.

Response:

There is no need to for including the provision of leased circuits/ Virtual Private Networks within the scope of Internet Service authorisation under the Telecommunications Act, 2023, within its service area.

Provision of leased circuits is within the domain of NLDOs as per the current licensing regime which is long-distance license and is not permissible under the ISP license. Grant of this additional authorization to ISPs would adversely impact the financial viability of long-distance authorizations viz NLD & ILD authorizations. Because of tremendous decline in the NLD & ILD voice revenues due to death of domestic long distance voice (STD) services & its revenues and proliferation of OTT voice services respectively, the financial viability of NLD/ILD Authorization depends upon the leased circuit/VPN service revenues only. Sharing of this right and privilege with numerous existing ISPs will adversely impact the long-distance authorized Entities.

In fact, there is a judgment by TDSAT dated 03rd May 2005 which holds that ISPs cannot provide VPN services. In this connection, please see relevant extract from TRAI recommendations dated 16.08.2005 on the issue of Entry Fee And Licence Fee For ISP Licence with Virtual Private Network (VPN) which is reproduced below:

“1.2. The Hon’ble TDSAT in its order dated 3rd May 2005 on ISP-VPN case has upheld DOT’s view that VPN was not allowed as a part of ISP license, it, therefore, becomes a separate service. Further TDSAT’s order stated that the quantum of entry fee and revenue share if required to be charged for a separate service from the service provider would require the recommendations of TRAI as per Section 11 (1) (a) (i) & (ii) of TRAI Act. “

Scope of service of ISP license was increased enabling them to provide VPN services in November 2005 by creating a new ISP with VPN service license wherein the annual licence fee was kept at 8 per cent of the gross revenue generated under the licence and Entry fee was kept as Rs 100 million, RS 20 million and 10 million for category A, B, and C, respectively. ISP-with-VPN licensee was permitted to lay optical fibre cable or use radio links for provision of the services in its service area. However, this license was never used by the ISPs and this category was abolished later abolished.

In such a view of the matter, looking at the history of the issue at hand , particularly that ISPs were not interested in taking the VPN service license earlier, it may not be advisable to enhance the scope of ISP authorization as suggested above by including the provision of leased circuits/ Virtual Private Networks within its service area .

If scope of service of Internet Service authorisation under the Telecommunications Act needs to be increased it would be more appropriate to grant them the right to provide internet telephony services using E.164 numbering scheme and all value-added services using internet telephony platform. This would also create some competition to OTT based internet telephony services.

Q9. Whether there is need for merging the scopes of the extant National Long Distance (NLD) Service authorization and International Long Distance (ILD) Service authorization into a single authorisation namely Long-Distance Service authorisation under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

Response:

Yes, there is a definite need for merging the scopes of the extant National Long Distance (NLD) Service authorization and International Long Distance (ILD) Service authorization into a single authorisation namely Long-Distance Service authorisation under the Telecommunications Act, 2023. Revenues under NLD service license have come down substantially due to decline in inter- Circle (LSA) voice service revenues. Moreover, there has been steep decline in international voice traffic in both the directions due to OTT voice services which has added to woes of NLDOs as well as adversely impacted the revenues of ILDOs. Even in the space of leased circuits and VPNs , there are unlicensed players providing SDWAN services in India leading to erosion of revenues as well as unlicensed App based VPN service providers which are also constituting a security issue apart from erosion of revenues both for long distance licensees and the Government. All aforesaid has led to revenue erosion of NLD/ILD licensees and it would therefore be in the fairness of the things to merge the two existing authorizations to create a single long distance service authorization.

Q10. In case it is decided to merge the scopes of the extant NLD Service authorization and ILD Service authorization into a single authorisation namely Long-Distance Service authorisation under the Telecommunications Act, 2023, -

(a) What should be the scope of service under the proposed Long Distance Service authorisation?

(b) What terms and conditions (technical, operational, security related, etc.) should be made applicable on the proposed Long Distance Service authorisation?

(c) Any other suggestions to protect the reasonable interests of other authorised entities upon the introduction of such an authorisation?

Kindly provide a detailed response with justifications.

Response:

The suggested scope of Long-Distance Service provider (National and International) should be as follows:

- Right to carry switched bearer telecommunication traffic over international long-distance network for providing International connectivity to the network operated by foreign carriers and to carry inter-circle switched bearer telecommunication traffic over its national long-distance network.
- The long-distance traffic within the country will also include carry intra-circle switched traffic where such carriage is with mutual agreement with originating access service provider.
- To provide / provision International Private Leased Circuits/CUG network and leased circuit/ VPN within the country.
- The authorised entity can approach end customers for provision of provision of national long distance/ International Long distance voice service through Calling Cards.
- Right to establish Cable Landing Station (CLS) for submarine cable with prior permission of Licensor.
- The Authorised entity may offer international bandwidth on lease to other eligible licensees who are permitted to have international connectivity under their license. It may provide international bandwidth on lease to Resellers who are issued license for 'Resale of IPLC'. It can offer National long-distance bandwidth to other authorised entities.
- The authorised entity can also provide connectivity to the service providers which have obtained registration for M2M service.
- The authorised entity can also, in respect of Basic Service, make mutually agreed arrangements with the concerned Service Providers for picking up, carriage and delivery of the traffic from different legs between Long Distance Charging Center (LDCC) and Short Distance Charging Centers (SDCCs).
- Permitting establishment of domestic or NLD connectivity over subsea route within to Indian territorial waters.
- TRAI Recommendations on the subject of "Licensing Framework and Regulatory Mechanism for Submarine Cable Landing in India" dated 19.06.2023 should be made part of the terms and conditions for the merged ILD-NLD authorization terms or in case of standalone ILD authorization it should be made part of ILD services authorization.

Q11. Whether there is need for merging the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorisation namely Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

Response:

There is no need for merging the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorisation namely Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023 as both

GMPCS and VSAT services are distinct and distinguishable from each other and they serve different segment of markets. VSAT service is basically a CUG service whereas GMPCS is an access service.

Q12. In case it is decided to merge the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorisation namely Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023,

(a) What should be the scope of service under the proposed Satellite-based Telecommunication Service authorisation?

(b) What should be terms and conditions (technical, operational, security related, etc.) that should be made applicable on the proposed Satellite-based Telecommunication Service authorisation?

(c) Any other suggestion to protect the reasonable interests of other authorised entities upon the introduction of such an authorisation?

Kindly provide a detailed response with justifications.

Response:

Not applicable in view of response to Q 11.

Q13. Whether there is a need for merging the scopes of the extant Infrastructure Provider-I (IP-I) and DCIP authorization (as recommended by TRAI) into a single authorisation under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

Response:

Infrastructure Providers Cat -I came into existence in the year 2000 when the Department of Telecommunications (DoT) invited applications for IP-I (Infrastructure Providers Category-I) registrations .The scope of IP-I was limited to providing passive assets such as Dark Fibre, Right of Way, Duct space, Tower & Poles on lease/ rent out/ sale basis to licensees of telecom services on mutually agreed terms and conditions. There are about 1525 Entities who are holders of IP-I registration which is issued under Section 4 of the Indian Telegraph Act as amended and thus at par with other telecom service licenses in statutory terms however no license fee /entry fee was imposed .

From the definition of telecommunication network in the new Act , there may be an interpretation that going forward establishment of passive infrastructure like towers, Poles, dark fibres etc. will require an authorization under Section 3 of the new Telecom Act while there may be a contrary interpretation of the statutory provision possible and will need to be tested. It may also be noted that existing IP-I registrations do not have a validity time period and would continue till five years from the appointed date as per Section 3(6) (b) and thereafter would be required to migrate to new proposed DCIP authorization. However, since the new proposed DCIP authorization regime provides enhanced scope of business it would make sense for existing IP-I operators to migrate.

Yes there is a need for merging the scopes of the extant Infrastructure Provider-I (IP-I) and DCIP authorization (as recommended by TRAI) into a single authorisation under the Telecommunications Act, 2023 to be named as DCIP authorization.

Q14. In case it is decided to merge the scopes of the extant IP-I and DCIP (as recommended by TRAI) into a single authorisation under the Telecommunications Act, 2023, -

(a) What should be the scope under the proposed authorisation?

(b) What terms and conditions should be made applicable to the proposed authorisation?

Kindly provide a detailed response with justifications.

Response:

Scope, terms and conditions should be in accordance with TRAI recommendations on 'Introduction of Digital Connectivity Infrastructure Provider (DCIP) Authorization under Unified License (UL)' dated 08th August 2023.

Q15. Whether there is a need for clubbing the scopes of some of the other authorisations into a single authorisation under the Telecommunications Act, 2023 for bringing more efficiency in the operations? If yes, in your opinion, the scopes of which authorisations should be clubbed together? For each of such proposed (resultant) authorisations, -

(a) What should be the scope of the service?

(b) What should be the service area?

(c) What terms and conditions (technical, operational, security, etc.) should be made applicable?

Kindly provide a detailed response with justification.

Response:

In the UL-VNO license, authorization regarding Resale of IPLC services and UL-VNO -ILD services can be clubbed together as a single registration to enable resale of entire gamut of ILD services under UL-VNO -ILD services authorization.

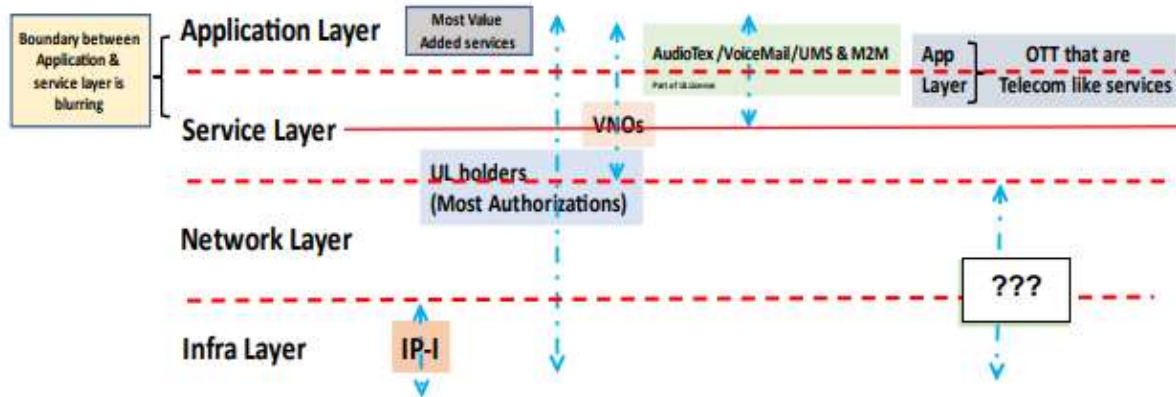
UL-VNO-ISP Category-C and UL-VNO Category-B have lot of similarities and there may be a case for abolition of UL-VNO-ISP Category-C.

Q16. Whether there a need for removing some of the existing authorizations, which may have become redundant? If yes, kindly provide the details with justification.

Response:

Digital Communications can be broadly categorized into four major layers consisting of

- (i) Application Layer
- (ii) Service Layer
- (iii) Network Layer
- (iv) Infrastructure Layer.



Under the new Authorization regime, authorization would definitely be required for Network Layer & Service layer and there are chances that the infra layer may also attract the requirement of obtaining authorization. However, ideally there should not be any licensing requirement at the application layer. Various application services and most value added services offered today fall under the application layer. Application providers use the underlying networks and/or internet services to provide applications services. Services like Audio Conferencing/Audiotex/Voicemail operate in the application layer and should therefore need to be removed from the requirement of Authorization and at best may be covered under Registration. M2M application service (M2MSP) is already under registration regime and should continue as such.

It has been the consistent of TRAI in its earlier recommendations which is reproduced below:

a. **Para 2.118 of TRAI’s recommendation on Spectrum Management and Licensing Framework dated 11th May 2010** stated: “Pure value-added services i.e., Voicemail/Audiotex/UMS need not however be brought under this (Unified License Fee) regime.”

b. **TRAI’s recommendations on ‘Guidelines for Unified License / Class Licenses and Migration of Existing Licenses’ dated 16th April, 2012** Section III, pg 28 recommends, simplistic Licensing through Authorisation for Audiotex and other such Value Added Services. It further gives clear recommendations regarding other Technical and Security conditions that should be followed by the Licensee and right of the Licensor.

c. **TRAI Recommendations on Application Services dated 14 May 2012**, recommended at Para 1.15 that the definition of value added services given in the various licences seems to be restricted and does not cover new application services. Therefore, the Authority at Para 1.19 opined that it will be better to represent value added services as application services and provide a definition of application services such that it is able to accommodate various applications being provided currently as well as which will be provided in future through telecom networks. And therefore, it recommended a broad definition of Application Services at Para 1.20 that Application services are enhanced services, in the nature of non-core services, which either add value to the basic tele services or can be provided as standalone application services through telecommunication network. The basic services are standard voice calls, voice/non-voice messages, fax transmission and data transmission.

While considering the licensing framework and DoT notification for Category of ‘Other Service Providers’ (OSP) dated 5th August 2008, , the Authority at Para 2.14 recommends that “....the applications service providers could also be covered under the Other Service Provider Category and could be registered with DoT. But this registration process may not entitle them of benefits available under licensing through Section 4 of the Indian Telegraph Act, 1885.”

Further in Para 2.18 the Authority opined that In the provisioning of application services, there is a need to ensure entry of serious players, smother process for allocation & opening of short codes, protection of consumers’ interests and compliance of content regulations. This could be achieved if ASPs (Application Service Providers) are brought under licensing.....However, at the same time to facilitate entry of innovative & small entrepreneurs, licensing process needs to be kept simple without any entry barriers. The Authority is conscious of the fact that bringing ASPs under licensing should not put burden on them and restrict the growth of small and medium players. Therefore, licensing regime for ASPs need to be such that they could avail benefits of licensing and at the same time do not get burdened with the financial requirements of a typical license.

Q17. Whether there is a need for introducing certain new authorisations or sub-categories of authorisations under the Telecommunications Act, 2023? If yes, -

- (a) For which type of services, new authorisations or sub-categories of authorisations should be introduced?**
- (b) What should be the respective scopes of such authorisations?**
- (c) What should be the respective service areas for such authorisations?**
- (d) What terms and conditions (general, technical, operational, Security, etc.) should be made applicable for such authorisations?**

Kindly provide a detailed response with justifications.

Response:

As stated earlier, new Authorization under the category of DCIP needs to be introduced and terms & conditions for the same should be in accordance with latest recommendations of TRAI on the subject. Ad regards other pending proposals of TRAI regarding IXP Authorization , Content Delivery Network (CDN) Registration & Satellite Earth Station Gateway License following is the view:

- Activities under IXP license are already covered by the ISP license and since ISP license does not have any significant entry barrier not much would be achieved by adding one more category in the list of authorizations.
- Content Delivery Network service is in the application layer therefore registration proposed for CDN services can be proceeded with as recommended by TRAI.
- Lastly Satellite Gateway Earth Station License can also be included in the new authorization based on TRAI recommendations on the subject.

Q18. In view of the provisions of the Telecommunications Act, 2023 and technological/ market developments, -

(a) What changes (additions, deletions, and modifications) are required to be incorporated in the respective scopes of service for each service authorisation with respect to the corresponding authorizations under the extant Unified License?

(b) What changes (additions, deletions, and modifications) are required to be incorporated in the terms and conditions (General, Technical, Operational, Security, etc.) associated with each service authorisation with respect to the corresponding authorizations under the extant Unified License?

Kindly provide a detailed response with justifications.

Response:

IFMC Authorization and Permission to set up CLS

There is a need to for including GMPCS (or the new authorisation for satellite-based telecommunication services) along with Commercial VSAT CUG service as a licensee with whom IFMC provider should enter into a commercial agreement with for the provision of data services in the Flight and Maritime Connectivity Rules, 2018 by suitably amending Section 5 1(b) & 5 (5) (b) .There is also need to define term GMPCS in the Rules.

Section 55 of the new Telecommunications Act 2023 states as under :

“55. The privilege of the Central Government to grant authorisations or assignment under this Act in the Continental Shelf and the Exclusive Economic Zone of India and the rights of an authorised entity or assignee, as the case may be, shall be subject to the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976, and applicable international laws as accepted and ratified by India.”

The above provision needs to be included in relevant authorisations including IFMC authorisation under the Telecommunications Act, 2023 under the relevant Rules as also in the permission for landing submarine cable in India including permission to set up Cable Landing Station in India under ILD and/or ISP license.

UL-VNO authorization

It has been stated in para 2.108 of the CP that UL (VNO) license for service delivery is quite successful in respect of some of the authorizations such as the ISP Category-C authorization, ISP Category B authorization, Access Service Category B, and NLD Service authorization. In this connection it may kindly be reviewed as to number of VNO Access Service Category B licenses granted and how many have surrendered and/or not operational. It is our submission that VNO Access Service Category B has not been very successful along with VNO Access Service licenses. There is a need to simplify VNO authorization particularly where VNO is doing facility-less resale of services.

Secondly in case VNO Access licensees, they should be allowed to connect with more than one NSO-Access Provider in general but particularly they should be allowed to connect with one NSO for wireline access services and one NSO for wireless access services. Access Service VNOs who intend to provide wireline services only, may require to take connectivity from more than one NSOs in an LSA as generally NSOs do not have roll out in the entire LSA and depending upon availability in an area of NSO network , VNO may be allowed to parent with more than one NSO.

Provision regarding appointment of Agent , Franchisee & Distributor

There needs to be more clarity in respect of above by the Authorized Entity particularly in respect of marketing of services by such agents, franchises etc and billing and collection for the services by them on behalf of the Authorized Entity.

Provision regarding leased circuit connectivity with internet

In this regard , the provision in UL- Access Service authorization reproduced below should be adopted in all other service authorizations for the sake of uniformity and to avoid any misinterpretation:

“The Licensee may provide leased circuits within its respective service area. Interconnection of leased circuits, whether point to point or in CUG network, with PSTN/PLMN/GMPCS/Internet Telephony Network is not permitted. “

Amendment in the ApGR definition in various service Authorizations

Present ApGR definition with the suggested only addition being in point (i) below is reproduced below:

“Applicable Gross Revenue (ApGR):

ApGR shall be equal to Gross Revenue (GR) of the licensee as reduced by the items listed below:

- (i) Revenue from operations other than **licensed** telecom activities/ operations.
- (ii) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (iii) Receipts from the USO Fund.
- (iv) List of other income* to be excluded from GR to arrive at ApGR
 - a. Income from Dividend
 - b. Income from Interest
 - c. Capital Gains on account of profit of Sale of fixed assets and securities
 - d. Gains from Foreign Exchange rates fluctuations
 - e. Income from property rent
 - f. Insurance claims
 - g. Bad Debts recovered
 - h. Excess Provisions written back

*Subject to conditions given in Annexure VIII.

The addition above is in line with the clarification given by DoT and needs to be included to bring adequate clarity and to avoid multifarious interpretations.

Removal of para2.1 (b) regarding limited mobility in scope of service clause of UL-Access

Exemption of license fee for Fixed Line internet, voice and services –DoT in its reference back dt. 28-06-22 has stated that LF exemption would be applicable on the entire Fixed Line internet services and such exemption would be for a period of ten years and would be available to all Access providers and ISPs without any qualification. TRAI had submitted its response to DoT dt. 25-07-22 post consideration of the same, however, final notification for exemption of license fee to ISPs /Access Providers is still pending. This should be made part of the draft Rules containing terms and conditions of the license.

Q19. In view of the provisions of the Telecommunications Act, 2023 and technological/ market developments, -

(a) What changes (additions, deletions, and modifications) are required to be incorporated in the respective scopes of service for each service authorisation with respect to the corresponding authorizations under the extant Unified License for VNO?

(b) What changes (additions, deletions, and modifications) are required to be incorporated in the terms and conditions (General, Technical, Operational, Security, etc.) associated with each service authorisation with respect to the corresponding authorizations under the extant Unified License for VNO?

Kindly provide a detailed response with justifications.

Response:

UL-VNO authorization for various services is required to be made simpler with lesser obligations as compared to its counterpart in UL authorization. VNO authorization is basically permission to resell services of the parent NSO authorized entity. If the resell by the VNO is done without creating network of its own for example reselling of SIM cards, reselling of calling cards, reselling of broadband services etc. The authorization conditions for such VNOs should be much simpler and there should not be any technical, operating and security conditions applicable on such VNOs. There should be a clear exclusion from application of the aforesaid terms to those VNOs who are doing non-facility based or non-network based reselling.

For the UL-VNOs who choose to create a network of their own while reselling services of the parent NSO such technical operating and security conditions can be imposed as may be appropriate.

The UL-VNO Access Service Authorization should permit reselling of isolated CMPN for enterprises created using IMT section assigned to the NSO. The UN-VNO license authorisation should also permit reselling of isolated CMPN established for enterprises using IMT spectrum assigned to the NSO.

Para 2.1(b) in the UL-VNO Access Service regarding limited mobility services may be deleted.

There should not be any interception and monitoring related requirements/obligations for non-facility based resale of services under UL-VNO license.

Amendment in the ApGR definition in various VNO service Authorizations

Present ApGR definition with the suggested only addition being in point (i) below is reproduced below:

“Applicable Gross Revenue (ApGR):

ApGR shall be equal to Gross Revenue (GR) of the licensee as reduced by the items listed below:

- (i) Revenue from operations other than **licensed** telecom activities/ operations.
- (ii) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (iii) Receipts from the USO Fund.
- (iv) List of other income* to be excluded from GR to arrive at ApGR
 - a. Income from Dividend
 - b. Income from Interest
 - c. Capital Gains on account of profit of Sale of fixed assets and securities
 - d. Gains from Foreign Exchange rates fluctuations
 - e. Income from property rent
 - f. Insurance claims
 - g. Bad Debts recovered
 - h. Excess Provisions written back

*Subject to conditions given in Annexure VIII.

The addition above as underline is in line with the clarification given by DoT and needs to be included to bring adequate clarity and to avoid multifarious interpretations.

In the UL-VNO-ISP authorization the condition 5.4 regarding the responsibility of the authorized entity to obtain IP addresses and domain names from NSO(s) needs to be reviewed as it placed unreasonable restrictions upon the UL-VNO ISP.

The UL-VNO ILD authorization should contain in its scope of service Para 2.2 & 2.3 regarding resale of all types of bearer services and international bandwidth lease services.

Common response to Q.18 & 19:

The changes that are required to be incorporated in the terms and conditions associated with each service authorization with respect to corresponding authorizations under UL and UL-VNO would also relate to Section 28 to Section 30 in respect of production of users where the measures for production of users, obligation of users and dispute resolution mechanism for users has been indicated.

The provisions regarding dispute resolution in case of dispute between an authorized entity and government will get governed by Sections 31 to Section 41 of the new Telecom Act, 2023 and the terms and conditions of the authorization under the new Act or the rules under the new Act which will govern the authorization which need to contain the details as per the given sections. Since the matter is concerning the adjudication of certain contraventions of the terms of the authorization the rules for the same will also have to be subject to Section 11 (1)(b) (i) of the TRAI Act under which TRAI has been entrusted with the function of ensuring compliance to the terms and conditions of the authorization.

Q20. Whether the Access Service VNOs should be permitted to parent with multiple NSOs holding Access Service authorisation for providing wireless access service? If yes, what conditions should be included in the authorisation framework to mitigate any possible adverse outcomes of such a provision? Kindly provide a detailed response with justifications.

Response:

Yes the Access Service VNOs should be permitted to parent with multiple NSOs holding Access Service authorisation for providing wireless access service. This will promote competition amongst the Access Provider NSOs for serving the VNOs and would also help the VNOs in getting a competitive price. As of now, for Wireless Services none of the Access Provider NSOs are offering any reasonable price to the Access Service VNOs resulting in very low growth for Wireless Access Service VNOs. It is understood that there has been a TDSAT Judgment delivered recently in this regard which has dealt with the issue and has requested DoT, TRAI and BSNL to look into these issues.

Q21. Considering that there are certain overlaps in the set of services under various authorisations, would it be appropriate to permit service-specific parenting of VNOs with Network Service Operators (NSOs) in place of the extant authorisation-specific parenting? Kindly provide a detailed response with justifications.

Response:

In order to avoid any complications, it would be advisable to continue with the existing practice of authorization specific parenting.

Q22. In view of the provisions of the Telecommunications Act, 2023 and technological/ market developments, -

(a) What changes (additions, deletions, and modifications) are required to be incorporated in the respective scopes of service for each service authorisation with respect to the corresponding extant standalone licenses/ authorizations/ registrations/ NOC etc.?

(b) What changes (additions, deletions, and modifications) are required to be incorporated in the terms and conditions (General, Technical, Operational, Security, etc.) associated with each service authorisation with respect to the corresponding extant standalone licenses/ authorizations/ registrations/ NOC etc.?

Kindly provide a detailed response with justifications.

Response:

It is proposed that all the captive licenses namely CMRTS License, Captive VSAT CUG License, CNPN License and all other captive authorizations are not for provision of

telecommunication service to the end customers and therefore there should not be any requirement of authorization Under Section 3(1) of the Telecommunication Act 2023. For the remaining services namely MNP Service, IFMC Service, IP-I Service, M2M Service, WPAN/WLAN connectivity service and PM WANI service, individual authorizations/registration may be kept depending on the nature of service. For M2M and WPAN/WLAN services being in the nature of application service the same should be licensed through a registration as is being done presently.

Q23. In view of the provisions of the Telecommunications Act, 2023 and market developments, whether there is a need to make some changes in the respective scopes and terms and conditions associated with the following service authorisations, recently recommended by TRAI:

- (a) Digital Connectivity Infrastructure Provider (DCIP) Authorization (under Unified License)**
- (b) IXP Authorization (under Unified License)**
- (c) Content Delivery Network (CDN) Registration**
- (d) Satellite Earth Station Gateway (SESG) License**

If yes, kindly provide a detailed response with justifications in respect of each of the above authorisations.

Response:

- (a) Digital Connectivity Infrastructure Provider (DCIP) Authorization (under Unified License)**

There is no need to make any changes in the scope and terms and conditions in respect of DCIP authorization under UL recently recommended by TRAI. However, the IP-I registration will be abolished post institution of DCIP authorization and appropriate migration part to be provided to IP-I Licensees to migrate to DCIP authorization failing which IP-I authorization will expire after 5 years duration.

- (b) IXP Authorization (under Unified License)**

Since IXP services can be provided under ISP license and there are no significant entry barriers in taking ISP License and there after establishing an internet exchange, there is no need to add one more category of service license under the Unified License.

- (c) Content Delivery Network (CDN) Registration**

The CDN registration should be proposed in lines with the recent TRAI recommendations on the subject. In order to promote competition in the CDN services sector as well as to keep on record the progress of the CDN service providers in the internet eco-system. The registration of CDN service providers is very much required.

- (d) Satellite Earth Station Gateway (SESG) License**

The requirement and need of satellite earth station gateway (SESG) on a stand alone basis may kindly be estimated through the industry consultation before taking a call on the subject.

Q24. In view of the provisions of the Telecommunications Act, 2023 and market developments, any further inputs on the following issues under consultation, may be provided with detailed justifications:

(a) Data Communication Services Between Aircraft and Ground Stations Provided by Organizations Other Than Airports Authority of India;

No Comment.

(b) Review of Terms and Conditions of PMRTS and CMRTS Licenses; and

Yes there is a need to review terms and conditions of PMRTS and CMRTS License as the last review was done long time back and these services are very niche services where the business potential is also very limited as is evident from the level of participation in these services by entities. In fact, since CMRTS is in the nature of captive services the same should be enabled in the nature of registration Under Section 3 of the Telecommunication Act, 2023.

(c) Connectivity to Access Service VNOs from more than one NSO.

Yes the Access Service VNOs should be permitted to parent with multiple NSOs holding Access Service authorisation for providing wireless access service. This will promote competition amongst the Access Provider NSOs for serving the VNOs and would also help the VNOs in getting a competitive price. As of now, for Wireless Services none of the Access Provider NSOs are offering any reasonable price to the Access Service VNOs resulting in very low growth for Wireless Access Service VNOs. It is understood that there has been a TDSAT Judgment delivered recently in this regard which has dealt with the issue and has requested DoT, TRAI and BSNL to look into these issues.

Q25. Whether there is a need for introducing any changes in the authorisation framework to improve the ease of doing business? If yes, kindly provide a detailed response with justifications.

Response:

There are number of changes which can be done in the authorization framework to improve the ease of doing business and some of these are enumerated below:

- **Simplification of license fee regime :** It may be noted that issues related to license fee has been and is subject matter of most of the disputes between the authorised entities and the government. While the license fee reforms of October, 2021 has tried to take care of the disputes which were decided in Supreme Court in respect of Access Services licenses in October, 2019 on a prospective basis, there is lot of more work which can be done. The license fee regime at present is also subject to interpretation and may lead to disputes in future. It is proposed that license fees can be charged in the same manner as GST and 2 per cent of the billed amount can be charged towards license fee. Alternatively, it is proposed that license fee which is presently charged at the rate of 8 per cent may be reduced by minimum 3 per cent. It may be noted that globally the

license fee for authorization is nowhere charged at such a high rate in any of the comparable geographies to India.

- **No authorization for captive services:** Section 3(1) of the Telecommunication Act 2023 provides that any person intending to (a) provide telecommunication services; (b) establish, operate, maintain, or expand telecommunication network; or (c) possess radio equipment, shall obtain an authorisation from the Central Government, subject to such terms and conditions, including fees or charges, as may be prescribed. Thus a license is required for provision of telecommunication services establishing, operating maintaining or expanding telecommunication network for provision of services to the end users or possessing radio equipment. In case of captive views the provisions of Section 3(1) of the Telecommunication Act, 2023 will not apply as the telecom network is not being established to provide telecommunication services to any end users. The definition of telecommunication network read with telecommunication service and user clearly establishes that for captive service no authorization would be required Under Section 3(1)(a) or 3(1)(b).
- **Rationalization of entry fees for various authorizations:** The entry fee in respect of various authorizations should be rationalized in accordance with TRAI Recommendations dated 19th September, 2023 on the subject.
- Inclusion of TRAI Recommendations on the subject of able Landing Stations dated 19.06.2023 in the terms and conditions of the authorization.

Following changes are suggested to the authorisation frameworks from an ease of doing business perspective for Commercial VSAT CUG Authorisation:

i) Remove NOCC frequency plan approvals. NOCC frequency plan approvals were relevant when ISRO was providing satellite capacity through the GSAT program. For other satellite providers, the frequency plan and link budgets are well managed by the satellite operators themselves. DOT should have oversight on the compliance to the Telecom Engineering Centre (TEC) Interface Requirements document. It is not optimal for DOT to approve frequency plan and link budgets for each network prior to deployment and during the lifecycle of a network.

ii) Today, spectrum is assigned for satellite services on a carrier by carrier basis. Change this methodology to allow for a block of spectrum to be assigned. Carrier by carrier assignment is cumbersome and does not allow for dynamic carriers that adapt to change needs of customers.

Q26. In view of the provisions of the Telecommunications Act, 2023 and market/ technological developments, whether there is a need to make some changes in the extant terms and conditions, related to ownership of network and equipment, contained in the extant Unified License? If yes, please provide the details along with justifications.

Response:

Following is the clause in respect of ownership of the equipment and network in the Unified License:

“2.4 Licensee shall make its own arrangements for all infrastructure involved in providing the service and shall be solely responsible for the installation, networking, operation and

commissioning of necessary infrastructure, equipment and systems, treatment of subscriber complaints, issue of bills to its subscribers, collection of revenue, attending to claims and damages arising out of its operations etc. However, the Licensee may share the infrastructure as permitted under the scope of respective service authorization in PART-II of the Schedule to the License Agreement or as per the directions/instructions issued by the Licensor from time to time.”

In our view, this clause gives sufficient flexibility in terms of ownership of the equipment and therefore does not require any change.

Q27. Whether any modifications are required to be made in the extant PM-WANI framework to encourage the proliferation of Wi-Fi hotspots in the country? If yes, kindly provide a detailed response with justifications.

Response:

No Comments.

Q28. What should be the broad framework including the specific terms and conditions that should be made applicable for captive authorisations, which are issued on a case-to-case basis? Kindly provide a detailed response with justifications.

Response:

Section 3(1) of the Telecommunication Act 2023 provides that any person intending to (a) provide telecommunication services; (b) establish, operate, maintain, or expand telecommunication network; or (c) possess radio equipment, shall obtain an authorisation from the Central Government, subject to such terms and conditions, including fees or charges, as may be prescribed. Thus a license is required for provision of telecommunication services establishing, operating maintaining or expanding telecommunication network for provision of services to the end users or possessing radio equipment. In case of captive views the provisions of Section 3(1) of the Telecommunication Act, 2023 will not apply as the telecom network is not being established to provide telecommunication services to any end users. The definition of telecommunication network read with telecommunication service and user clearly establishes that for captive service no authorization would be required Under Section 3(1)(a) or 3(1)(b).

In view of above, all captive services should be covered under registration and not under authorization.

Q29. What amendments are required to be incorporated in the terms and conditions of authorisations for providing telecommunications services using satellite-based resources in light of the policy/ Act in the Space Sector? Kindly provide a detailed response with justifications.

Response:

Commercial VSAT CUG service providers in India should be allowed to use gateways in India to serve neighbouring countries. This would align with the Indian Space Policy 2023 and allow India to position itself as a leader in satellite communication services in the region.

Q30. Whether the provisions of any other Policy/ Act in the related sectors need to be considered while framing terms and conditions for the new authorisation regime? If yes, kindly provide a detailed response with justification.

Q31. What conditions should be made applicable for the migration of the existing licensees to the new authorisation regime under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

Response:

The migration of the existing Licensees to the new authorisation regime under the Telecommunications Act, 2023 should be either on expiry of the existing licenses under the old UL/ULVNO license regime or upon the willingness of the existing licensee to migrate to new authorization regime. There should not be any forced migration to the new authorization regime rather the terms and conditions of the new authorization regime should be made in such a manner that it incentivizes the migration to the new authorisation regime.

Q32. What procedure should be followed for the migration of the existing licensees to the new authorisation regime under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

Response:

The procedure for migration of the existing Licensees should be broadly on the same lines as contained in the guidelines for grant of Unified License where in the process for migration to UL was given. Following issues need to be kept in mind while migrating the existing Licensee to the new authorization regime:

- a) On migration the new authorization shall be for a period of 20 years from the effective date of the new authorization irrespective of the validity period of old license.
- b) Credit of prorated entry fee paid while migrating to new authorization regime.
- c) All approvals /allocations given in the previous license should be carried forward in the new authorization regime.

Q33. Do you agree that new guidelines for the transfer/ merger of authorisations under the Telecommunications Act, 2023 should be formulated after putting in place a framework for the authorisations to be granted under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

Response:

The Authorization should have a provision to provide a simplified exit policy for Authorized Entities for closure of business through merger and de-merger. It should be done in a time-

bound manner and to ensure the companies do not lose out on the value of assets they have created due to delays in regulatory approvals. In case an Authorized Entity does not hold any access spectrum, winding down of such telecom business should follow only NCLT process without any additional conditions or approvals from DoT. Additionally, there should be an easy exit for the listed companies. The current regime of Reverse Book Building makes it almost impossible to de-list it from the bourses. This needs to be simplified so that a listed entity can close their business by way of merger/de-merger.

Q34. Whether there is a need to formulate guidelines for deciding on the types of violations of terms and conditions which would fall under each category as defined in the Second Schedule of the Telecommunications Act, 2023? If yes, kindly provide a detailed response with justifications.

Response :

Yes there is a need to formulate guidelines for deciding on the types of violations of terms and conditions which would fall under each category as defined in the Second Schedule of the Telecommunications Act, 2023. It may be noted that Section 32(3) of the Telecommunications Act, 2023, has already specified various factors and any voluntary undertaking submitted to be considered by an Adjudicating Officer while imposing penalty. Such factors are - (a) nature, gravity and duration of the contravention, taking into account the scope of the contravention; (b) number of persons affected by such contravention, and the level of harm suffered by them; (c) intentional or negligent character of the contravention; (d) repetitive nature of the contravention; (e) action taken by the concerned person to mitigate the contravention, including by providing a voluntary undertaking (f) revenue loss caused to the Central Government; (g) any aggravating factors relevant to the circumstances of the case, and (h) any mitigating factors relevant to the circumstances of the case. It is seen that in absence of appropriate guidelines there is a tendency to impose maximum penalty for even a minor violation. There is need to work out the grading of violations so that Second Schedule of Act is appropriately defined in terms of classification of violations in a transparent manner.

Q35. Are there any other inputs/ suggestions relevant to the subject? Kindly provide a detailed response with justifications.

Response:

No comment

Q36. In case it is decided to introduce a unified service authorisation for the provision of end-to-end telecommunication services with pan-India service area, what should be the: -

(i) Amount of application processing fees -

The application processing fee should be either nil or very minimal only to meet the administrative expenses incurred in the process of application submission and processing.

(ii) Amount of entry fees –

Entry fee for Unified service Authorisation for the provision of end-to end telecommunications services with pan India service Authorisation should be determined in line with the TRAI recommendations of September 2023

(iii) Provisions of bank guarantees -

PBG & FBG should be merged and only one single Bank Guarantee should be required to be submitted. The amount of single BG should be computed as per existing formula. **Alternatively**, the provision of BGs should be removed and replaced by an Undertaking (on Non-Judicial Stamp Paper) from the licensee company at the time of signing the License agreement.

(iv) Definitions of GR, ApGR and AGR –

Only revenue earned from the licensed telecom services under respective authorization, should be considered for computation of GR. The definition of Gross Revenue (GR) should be simple, specific and easy to interpret. Further, in order to minimize disputes over interpretation of GR, the use of words like Miscellaneous and etc. must be avoided.

So keeping in view the above, we proposed the definition of GR as under:-

Gross Revenue (GR): The Gross Revenue shall include all revenues accruing to the Licensee by way of providing licensed telecom services under the respective service authorizations such as Access Service/NLD/ILD/ISP/M2M/Audio-conferencing service or any other authorization granted to the licensee under the Telecommunication Act -2023. The revenue shall not include revenue from supplementary/Value added services provided under the scope of the respective service authorization.

Applicable Gross Revenue (ApGR): Since the proposed definition of GR includes only revenue from services provided under the scope of respective service authorizations, therefore, the concept and provision of ApGR is not required.

Adjusted Gross Revenue: Each telecom licensee pays charges to other telecom operators for usage of their network. The recipient TSP considers such charges received from other operators as part of its Gross Revenue (GR) for the purpose of computation of LF. So, deductions should be allowed to licensee who pays such charges to other TSPs. This will eliminate the possibility of a double levy of license fee on TSPs who pays such charges.

For the purpose of arriving at the “**Adjusted Gross Revenue (AGR)**”, following shall be excluded from the Gross Revenue (GR):

- a. (i) **For Access Service and Audiotex:-** PSTN/PLMN/GMPCS related call charges (Access Charges)
- (ii) **For Internet Service and M2M:-** Roaming revenue passed on to other eligible/entitled telecom service provider,
- (iii) **For ILD/NLD Service:-** Charges paid to other telecom service providers.
- (iv) **For VNO Service:-** Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges and Charges paid to NSOs towards Bulk/Wholesale bandwidth, leased line and bandwidth charges, minutes and SMSs.

- b. Goods and Service Tax (GST) paid to the Government if Gross Revenue (GR) had included as component of GST.

(v) Rate of authorization fee –

The Authorisation fee should be simplified and made less burdensome in compared to existing LF regime. The Authorisation fee should be taken as percentage of Gross Revenue minus the charges paid to other licensed Service Providers and should be 3% of such revenue including 2% for Digital Bharat Nidhi fund.

(vi) Minimum equity and networth of the Authorized entity

The existing eligibility criteria specified for minimum equity and networth should be brought down significantly for the Authorised entity and should be of level only to deter entry of non-serious players. This will ensure ease of doing business , proliferation of telecom services and entry of only serious players in the telecom market.

Q37. In case it is decided to enhance the scope of Internet Service authorization as indicated in the Q7 above, what should be the:

- (i) Amount of application processing fees**
- (ii) Amount of entry fees**
- (iii) Provisions of bank guarantees**
- (iv) Definitions of GR, ApGR and AGR**
- (v) Rate of authorisation fee**
- (vi) Minimum equity and net worth of the Authorised entity**

Response :

Not applicable

Q38. In case it is decided to merge the scopes of the extant NLD Service authorization and ILD Service authorization into a single authorization namely Long Distance Service authorization under the

Telecommunications Act, 2023, what should be the: -

- (i) Amount of application processing fees**
- (ii) Amount of entry fees**

TRAI recommendations of September 2023 regarding Rationalization of Entry Fee for Long-Distance services need to be reiterated and incorporated in its recommendations of draft Rules for terms and conditions of Authorizations to be issued under the Telecommunications Act, 2023.

(iii) Provisions of bank guarantees

PBG & FBG should be merged and only one single Bank Guarantee should be required to be submitted. The amount of single BG should be computed as per existing formula.

Alternatively, provision of BGs should be removed and replaced by an Undertaking (on Non-Judicial Stamp Paper) from the licensee company at the time of signing the License agreement.

(iv) Definitions of GR, ApGR and AGR

In Case it is decided to merge the scopes of the extant NLD and ILD services into a single authorization namely Long Distance Service authorization under the Telecommunication Act, 2023, Definition of GR should cover all the services covered in the scope of the merged service authorization.

We propose the following definition:

Gross Revenue (GR) : The Gross Revenue shall include all revenues accruing to the Licensee by way of providing licensed telecom services under the long distance service authorization (ILD & NLD service) granted to the licensee under the Telecommunication Act -2023. The revenue shall not include revenue from supplementary/Value added services.

Applicable Gross Revenue (ApGR): Since the proposed definition of GR includes only revenue from licensed telecom services provided under the scope of merged service authorization, therefore, the concept and provision of ApGR is not required.

Adjusted Gross Revenue: Each telecom licensee pays charges to other telecom operators for usage of their network. The recipient TSP considers such charges received from the operators as part of its Gross Revenue (GR) for the purpose of computation of LF. So, deductions should be allowed to licensee who pays such charges to other TSPs. This will eliminate the possibility of a double levy of license fee on TSPs who pay such charges.

For the purpose of arriving at the “**Adjusted Gross Revenue (AGR)**”, following shall be excluded from the Gross Revenue (GR):

- a. (i) Charges paid to other telecom service providers .
- b. Goods and Service Tax (GST) paid to the Government if Gross Revenue (GR) had included as component of GST.

(v) Rate of authorisation fee

The Authorisation fee should be simplified and made less burdensome in compared to existing LF regime. The Authorisation fee should be taken as percentage of Gross Revenue minus the charges paid to other licensed Service Providers and should be 3% of such revenue including 2% for Digital Bharat Nidhi fund.

(vi) Minimum equity and net worth of the Authorised entity

The existing eligibility criteria specified for minimum equity and networth should be brought down significantly for the Authorised entity and should be of level only to deter entry of non-serious players. This will ensure ease of doing business , proliferation of telecom services and entry of only serious players in the telecom market.

Q39. In case it is decided to merge the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorization namely Satellite-based Telecommunication Service authorization under the Telecommunications Act, 2023, what should be the: -

- (i) Amount of application processing fees**
- (ii) Amount of entry fees**
- (iii) Provisions of bank guarantees**
- (iv) Definitions of GR, ApGR and AGR**
- (v) Rate of authorisation fee**
- (vi) Minimum equity and networth of the Authorised entity**

Please support your response with proper justification.

Response:

Not applicable

Q40. In case you are of the opinion that there is a need for clubbing the scopes of some other authorisations into a single authorisation under the Telecommunications Act, 2023 for bringing more efficiency in the operations, what should be the:

- (i) Amount of application processing fees**
- (ii) Amount of entry fees**
- (iii) Provisions of bank guarantees**
- (iv) Definitions of GR, ApGR and AGR**
- (v) Rate of authorisation fee**
- (vi) Minimum equity and networth of the Authorised entity**

Please support your response with proper justification.

Response:

Not applicable

Q41. In case you are of the opinion there is a need to introduce certain new authorisations or sub-categories of authorisations under the Telecommunications Act, 2023, what should be the: -

- (i) Amount of application processing fees**
- (ii) Amount of entry fees**
- (iii) Provisions of bank guarantees**
- (iv) Definitions of GR, ApGR and AGR**
- (v) Rate of authorisation fee**
- (vi) Minimum equity and networth of the Authorised entity**

Please support your response with proper justification.

Response:

Not applicable

Q42. What should be the amount of application processing fees for the various service authorisations including VNOs, other than the merged/clubbed/new service authorisations? Please provide your response for each of the service authorisation separately.

Response :

There should not be any application processing fee or alternatively very nominal amount .

Q43. Whether the amount of entry fee and provisions for bank guarantee for various service authorisations including VNOs, other than the merged/clubbed/new service authorisations, should be:

i. kept the same as existing for the various service authorisations under the UL/UL(VNO) license

ii. kept the same as recommended by the Authority for the various service authorisations under the UL/UL(VNO) license, vide its Recommendations dated 19.09.2023- We propose to keep the same as recommended by the authority through their recommendations dated 19.09.2023.

iii. or some other provisions may be made for the purpose of Entry Fee and Bank Guarantees

Q44. Whether there is a need to review any of the other financial conditions for the various service authorisations including VNOs, other than the merged/clubbed/new service authorisations? Please provide your response for each service authorisation separately with detailed justification.

We propose there should not be any requirement of Payment of minimum license fee under UL-VNO- Service Authorizations. The holder of UL-VNO service authorizations is not entitled for numbering, accruing spectrum and cannot interconnect with operators directly. Further, UL-VNO Licensee is dependent on NSO for provisions of Telecom services.

Q45. In case it is decided to merge the scopes of the extant IP-I Registration and the Digital Connectivity Infrastructure Provider (DCIP) authorization into a single authorization under the Telecommunications Act, 2023, what should be the: -

i. Amount of application processing fees

ii. Amount of entry fees

iii. Any other Fees/Charge

iv. Minimum equity and networth etc. of the Authorised entity.

Please support your response with proper justification.

Response :

This should be in line with TRAI recommendations dated 08.08.2023 on the subject.

Q46. For MNP license and CMRTS authorisation, should the amount of entry fee and provisions of bank guarantees be:

- i. kept same as existing for the respective license/authorisation.**
- ii. kept the same as recommended by the Authority vide its Recommendations dated 19.09.2023**
- iii. or some other provisions may be made for the purpose of Entry Fee and Bank Guarantees**

Please support your response with proper justification separately for each authorisation.

Response:

This should be kept the same as recommended by the Authority vide its Recommendations dated 19.09.2023.

Q47. For other standalone licenses/ registrations/ authorisations/ permissions, should the existing framework for financial conditions be continued? Please provide detailed justification.

Q48. If answer to question above is no, what should be the new/revised financial requirement viz. bank guarantee/ entry fee/ processing fee/ authorisation fees/ registration fees or any other charge/ fees? Please provide detailed justification in support of your response for each other license/ registration/ authorisation/ permission separately.

Response:

For other standalone licenses/ registrations/ authorisations/ permissions, the existing framework for financial conditions should be in line with the TRAI recommendations on the subject and should be on level playing field with integrated authorization.

Q49. In case of the merged M2M-WPAN/WLAN service authorisation, what should be the processing fees or any other applicable fees/ charges. Please support your response with proper justification.

Response:

It should be minimal and only to cover administrative charges for processing the application.

Q50. In the interest of ease of doing business, is there a need to replace the Affidavit to be submitted with quarterly payment of license fee and spectrum usage charges with a Self-Certificate (with similar content)? Please justify your response.

We propose to dis-continue the requirement of affidavit along with payment of quarterly License fee. In the interest of ease of doing business, we strongly support to submit a self-certificate (with similar content) along with quarterly license fee payments.

Justification:- The annual LF assessment is carried out based on Annual Audited AGR statements, duly certified by Statutory Auditors. So, submission of quarterly AGRs & Affidavits, along with quarterly payments, has no significance, in ascertaining the annual LF liabilities.

Q51. Is there a need to revise/ modify/simplify any of the existing formats of Statement of Revenue Share and License Fee for each license/authorisation (as detailed at Annexure 3.2)? In case the answer to the question is yes, please provide the list of items to be included or to be deleted from the formats alongwith detailed justification for the inclusion/deletion.

Response:

Yes. It is proposed that submission of quarterly 'Statement of Revenue and License Fee' signed by Licensee, should be discontinued. Quarterly payments of License-fee should be made based on the data filled in SARAS portal and self-certification, in respective quarters. At the end of the financial year, licensee submit Annual Audited AGRs duly certified by Statutory Auditors of the company. Based on the Annual Audited AGRs, the LF liabilities are ascertained and any shortfall of LF dues attracts interest at applicable rates.

Further, for submission of Annual Audited AGRs the formats of 'Statement of Revenue and License-fee' should be modified by deleting the ApGR provisions, please refer to our answer to Q-36-38. The purpose of ApGR is decare non telecom and Other income (Interest, Dividend, Capital Gains, Forex Gain etc.), which is duly served by the Reconciliation statement, wherein the details of Gross Revenue (as per P&L), Non Telecom revenue, Other Income etc. is provided. Accordingly, the said formats are required to be appropriately modified based on our proposed definition of GRs under various service authorizations. Please refer to our answer to Q 36-38.

Q52. In case of a unified service authorisation for the provision of end-to-end telecommunication services with pan-India service area, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.

Response:

No comment

Q53. In case the scope of Internet Service authorization is enhanced, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.

Response:

Not applicable

Q54. In case of merged extant NLD Service authorization and ILD Service authorization into a single authorization namely Long Distance Service authorization, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.

Response:

Please refer to our answer for Q-38 for inclusion of revenues from ILD & NLD services and also refer answer to Q-52 for changes in the format. The format of ‘Statement of Revenue and License Fee’ should be appropriately modified.

Q55. In case of merged extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorization namely Satellite-based Telecommunication Service authorization, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.

Response:

Not applicable

Q56. In case you have proposed to club the scope of some of other authorizations OR introduce certain new authorisations/ sub-categories of authorisations, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.

Response:

Not applicable

Q57. Whether there is a need to review/simplify the norms for the preparation of annual financial statements (that is, the statements of Revenue and License Fee) of the various service authorizations under UL, UL(VNO) and MNP licenses? Please give detailed response with proper justification for each authorization/license separately.

Response:

No changes suggested.

Q58. In case of migration, how the entry fee already paid by the company be calculated/ prescribed for the relevant authorisation(s)? Please provide detailed justification in support of your response.

Response:

In case of migration, there should not be any requirement of payment of entry fee for the existing holders of service authorizations as new Entry Fee would be very nominal in accordance with relevant TRAI recommendations on the subject.

Q59. Should the application processing fee be applicable in case of migration. In case the response is yes, what should be amount of application processing fee? Please give reason(s) in support of your answer.

Response:

Application processing fee should not be made applicable in case of migration.

Q60. What should be terms and conditions of security interest which Government may prescribe? Please provide detailed response.

Response:

Terms and conditions of security interest which Government may prescribe are attached as Annexure 1.

Q61. Whether there are any other issues/ suggestions relevant to the fees and charges for the authorisations to provide telecommunication services? The same may be submitted with proper explanation and justification.

Response:

On the issue of fees and charges , it is requested that recent TRAI Recommendations on Rationalization of Entry Fee and Bank Guarantees dated 19.09.2023 may be duly considered while recommending Entry Fee for various Service authorizations both in letter as well as spirit. There is not much change in circumstances since TRAI issued its aforesaid recommendations on the issue of entry fee and this would go a long way in attracting more players in the field of telecom services.

Annexure-I - Security conditions

Clause number	Existing Clause	Revised clause	Rational/ Remarks
<u>Chapter VI UL, clause 39.7</u>	The LICENSEE shall induct only those network elements into its telecom network, which have been got tested as per relevant contemporary Indian or International Security Standards e.g. IT and IT related elements against ISO/IEC 15408 standards, for Information Security Management System against ISO 27000 series Standards, Telecom and Telecom related elements against 3GPP security standards, 3GPP2 security standards etc. The certification shall be got done only from authorized and certified agencies/ labs in India or as	The LICENSEE shall induct only those network elements into its telecom network, which have been got tested as per relevant contemporary Indian or International Security Standards for Information Security Management System against ISO 27000 series Standards, Telecom and Telecom related elements against 3GPP security standards,	ISO/IEC 15408 provides a framework for evaluating the security functionality of IT products and the assurance measures applied during security evaluations and therefore is not relevant for telecom networks. Hence the same needs to be removed.

	<p>may be specified by the Licensor. The copies of test results and test certificates shall be kept by the LICENSEE for a period of 10 years from the date of procurement of equipment.</p>	<p>3GPP2 security standards etc. The certification shall be got done only from authorized and certified agencies/ labs in India or as may be specified by the Licensor. The copies of test results and test certificates shall be kept by the LICENSEE for a period of 10 years from the date of procurement of equipment</p>	
<p><u>Chapter VI UL, clause 39.10 (ii)</u></p>	<p>39.10 (ii) The Licensee through suitable agreement clauses with vendor shall ensure that the Vendor/ Supplier allow the Licensee, Licensor and/ or its designated agencies to inspect the hardware, software, design, development, manufacturing facility and supply chain and subject all software to a security/ threat check any time during the supplies of equipment. The number of such visits will be limited to two in a Purchase Order (PO). The expenditure for such visits, limited upto 40 man-days per visit, for each purchase order of value above Rs 50 crore, shall be borne by the LICENSEE directly or through vendor.</p>	<p>39.10 (ii) The Licensee through suitable agreement clauses with vendor shall ensure that the Vendor/ Supplier allow the Licensee, Licensor and/ or its designated agencies to inspect the hardware, software, design, development, manufacturing facility and supply chain and subject all software to a security/ threat check any time during the supplies of equipment.</p>	<p>The vendors/ OEMs do not agree to allow for visits to check the supplies of the equipment. Further no such visit requests have been received till date.</p>
<p><u>Chapter VI UL, clause 39.11(ii)</u></p>	<p>39.11 (iii) Besides the penalty, liability and criminal proceedings under the relevant provisions of various Acts such as Indian Telegraph Act, Information Technology Act, Indian Penal Code (IPC), Criminal Procedure Code (CrPC) etc can be initiated. In such cases, LICENSE of the LICENSEE can also be terminated, vendor or supplier who supplied the hardware/software, that caused the security breach, could be blacklisted for doing business in the country or both. The LICENSEE must include the clause of discretion of blacklisting of vendor or supplier in</p>	<p>This clause should be deleted.</p>	<p>Criminal liability may be removed, as the same would amount to double penalty for the same offence/ non compliance, since penalty of Rs 50 Crore has been suggested in clause 39.11(i) and 39.11(ii)</p>

	such cases in the agreement signed with vendors/suppliers.		
<u>UL, clause 2.6 (iv) and 39.11(ii)</u>	<p>2.6(iv) The licensees should comply with all the interception and monitoring related requirements as specified in the licence as amended from time to time for providing Internet Telephony.</p> <p>39.12 In the interests of security, suitable monitoring equipment as per requirement of the Licensor or designated Security Agencies for each type of system used shall be provided by the Licensee for monitoring as and when required by Licensor. The specific orders or directions from the Government, issued under such conditions, shall also be applicable.</p>	These clauses needs be updated.	it is suggested that the multimedia and videos should be excluded from the scope of Data monitoring. This will have substantial savings for the Authorised Entities.
<u>Chapter VI UL, clause 39.23(xi)</u>	The Remote Access (RA) to network would be provided only to approved locations abroad through approved location(s) in India. The approval for location(s) would be given by the Licensor (DoT) after satisfying itself about the appropriateness.	The Remote Access (RA) to network would be provided only to approved locations abroad through approved location(s) in India. The approval for location(s) would be given by the Licensor (DoT) after satisfying itself about the appropriateness. Remote Access through abroad locations may be permitted in such cases where network maintenance is carried out by OEMs through communication & collaboration tools/ video conferencing , however the screen control always remains with the telecom service provider through out the session.	Remote Access for OEMs for the purpose of network maintenance should be allowed should be permitted in case of screen sharing scenarios (through MS Teams etc.) wherein the screen control is with employee of telecom service provider. This will certainly enable prompt network maintenance, enable Ease of Doing Business which is the priority of the Central Government. Further it may be noted that the current license agreement allows for sharing of network diagram and technical details with OEMs as per clause 39.23 9ii). The Remote access would continue to remain prohibited for Lawful Interception System(LIS), Lawful Interception Monitoring(LIM), Call

			contents of the traffic and any such sensitive sector/data, notified by licensor from time to time.
<u>Chapter VI UL, clause 39.23 xix</u>	In order to maintain the privacy of voice and data, monitoring shall be in accordance with rules in this regard under Indian Telegraph Act, 1885.	xix) In order to maintain the privacy of voice and data, monitoring shall be in accordance with rules in this regard under The Telecommunications Act, 2023.	Needs to be revised in accordance with The Telecommunication Act, 2023
<u>Chapter VI UL, clause 40.1</u>	The Licensee shall adopt all means and facilitate in every manner the application of the Indian Telegraph Act, 1885 and Indian Wireless Telegraphy Act, 1933 as modified or replaced from time to time. The Service shall be provided in accordance with the provisions of Indian Telegraph Rules as modified and amended from time to time.	The Licensee shall adopt all means and facilitate in every manner the application of the Telecommunications Act, 2023 and Indian Wireless Telegraphy Act, 1933 as modified or replaced from time to time. The Service shall be provided in accordance with the provisions of Indian Telegraph Rules as modified and amended from time to time.	Needs to be revised in accordance with The Telecommunication Act, 2023
<u>Chapter VI UL, clause 40.2</u>	As per the provision of Section 5 of Indian Telegraph Act, the Licensee will provide necessary facilities to the designated authorities of Central/State Government as conveyed by the Licensor from time to time for interception of the messages passing through its network.	As per the provision of Section 20 of The Telecommunications Act, 2023, the Licensee will provide necessary facilities to the designated authorities of Central/State Government as conveyed by the Licensor from time to time for interception of the messages passing through its network.	Needs to be revised in accordance with the relevant clause in The Telecommunication Act, 2023.
	39.22 (v) Leased circuits should also be checked/ inspected at regular intervals for their bonafide use and to detect any misuse.		The bonafide usage of ILL connections can be ensured by deploying bandwidth monitoring tools such as Netflow Analyzer or Solarwinds that can be used to monitor
<u>Chapter IX, UL, clause 7.6</u>	7.6 Periodical inspections are to be carried out at the premises of ILL customers to check possible misuse and possible interconnection of	“Periodical evaluation/ examination of MRTG graphs or any other	

	Internet leased line with PSTN, PLMN, GMPCS network. First inspection at the premises of the customer must be done within 15 days of commissioning of Internet leased line.	similar technical measures pertaining to Internet Lease line customers are to be carried out by the licensee to check possible misuse and possible interconnection of Internet leased line with PSTN, PLMN, GMPCS network”	link traffic and detect utilization across applications. Tools like Wireshark can be used to capture any VOIP related packets. Periodic evaluation of Multi Router Traffic Graph and access to internet traffic at Internet Monitoring Station (IMS) can also be useful in proactively predicting any misuse.
<u>Chapter IX, UL clause 7.1</u>	7.1 The Licensee shall maintain CDR/IPDR for Internet including Internet Telephony Service for a minimum period of two years. Parameters of IPDR shall be maintained as per the directions/instructions issued by the Licensor from time to time.	The Licensee shall maintain CDR/IPDR for Internet including Internet Telephony Service for a minimum period of one year. Parameters of IPDR shall be maintained as per the directions/instructions issued by the Licensor from time to time.	In order to reduce the compliance burden and for ease of doing business/operations – it is suggested that storage period should be reverted to one year. It can be instructed that the CDRs/IPDRs should be preserved for court cases/FIRs where investigation is going on.
<u>Chapter IX, UL clause 7.2</u>	The Licensee shall maintain log-in/log-out details of all subscribers for services provided such as internet access, e-mail, Internet Telephony, IPTV etc. These logs shall be maintained for a minimum period of two years.	The Licensee shall maintain log-in/log-out details of all subscribers for services provided such as internet access, e-mail, Internet Telephony, IPTV etc. These logs shall be maintained for a minimum period of one year.	In order to reduce the compliance burden and for ease of doing business/operations – it is suggested that storage period should be reduced to one year.
<u>Chapter IX, UL clause 8.5,</u>	8.5 Office space of 10 feet x 10 feet with adequate and uninterrupted power supply and air-conditioning which will be physically secured and accessible only to the monitoring agencies shall be provided by the Licensee at each Internet Gateway location at its cost.	To be deleted	The internet traffic is being remotely accessed by CDOT / CERT- IN through the LIM set up installed at various POPs , hence the office space is no longer required. Further DoT has entered into agreement with PGCIL /BSNL to build national private network to access these systems.

