INDIAN SPACE ASSOCIATION
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# OVERVIEW

1. The Indian Space Association (ISpA), as the apex, non-profit industry body dedicated to the advancement of India's public and private space sector, welcomes the Telecom Regulatory Authority of India's (TRAI) comprehensive consultation paper on the 'Framework for Service Authorisations to be granted under the Telecommunications Act, 2023'.

2. This consultation is particularly timely and significant, coming in the wake of the enactment of the Telecommunications Act, 2023 and the publication of the Indian Space Policy 2023 by the Department of Space. These developments collectively signal a transformative phase for India's telecommunications and space sectors

3. The TRAI consultation paper addresses critical aspects of the new authorisation regime, including the potential consolidation of existing authorisations, the introduction of new categories, and the enhancement of current scopes. Of particular interest to ISpA and its members are the proposals related to satellite-based communication services.

4. As the voice of India's space industry, ISpA appreciates this opportunity to contribute to shaping a robust and forward-looking regulatory framework. Our responses aim to ensure that the new authorisation regime not only streamlines operations and fosters innovation but also adequately addresses the unique characteristics and potential of satellite-based communication services.

5. ISpA strongly recommends that any scope changes made under the Telecommunications Act 2023 to the authorizations should be uniformly applicable to licenses/authorizations issued under the Indian Telegraph Act

(ITA). This will ensure equality in effect for like services between new applications authorized under any new regime and all existing licensees/applicants under the existing regime that will be migrated from the extant framework. This parity will benefit consumers and operators by introducing regulatory certainty and a level playing field across the sector.

6. We believe that well-considered reforms in the authorisation framework can significantly boost India's space economy, enhance digital connectivity, and support the nation's broader goals of technological advancement and economic growth. ISpA looks forward to engaging constructively in this consultation process to help create a regulatory environment that nurtures the growth of space-based communications while balancing national interests and industry needs.

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# ISpA RESPONSE TO ISSUES OF CONSULTATION

**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.**

**ISpA Response:**

The current regime of entering into license agreements has been working fine for the past three decades. We do not see any reason for any change in the same. The relationship between DoT and TSPs/ISPs/others should continue to be contractual in nature.

However, in case the Government shifts to a different regime, the contractual rights of the TSPs under the existing licenses should be protected.

**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.**

**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.**

**ISpA Response:**

We recommend including broad aspects like application process, eligibility, and license transfer conditions in the Rules. The detailed terms and conditions should continue to form part of a contractual arrangement between DoT and TSPs/ISPs/others.

**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**

**ISpA Response:**

To ensure the long-term regulatory stability and business continuity of service providers, Government should be mandatorily required to conduct a thorough public consultation process for any rule-making under the Telecom Act.

**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.**

**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?**

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

**(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?**

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

**ISpA Response:**

ISpA strongly believes there is no need to introduce a unified service authorisation at the National level.

The proposed national unified service authorisation at a conceptual level might promise benefits, including simplification and efficiency by reducing the need for multiple licenses, seamless nationwide service provision, fostering competition, and improved regulatory oversight.

However, it needs to be factored in that the operators have made significant investments over the last 30 years in building up extensive networks and have designed all of their systems, business model, product offerings, etc. around the existing LSA-wise regime. The existing investments need to be adequately protected while considering any change in the regime.

Besides, the implementation of the proposed pan-India unified service authorisation would require multiple questions to be answered first – like, where would interconnection happen (one single point in the country or LSA/LDCA level)? Would spectrum continue to be assigned LSA-wise – and if yes, will SUC assessment also continue LSA-wise or a national weighted average rate will be prescribed? Would the various compliances and reporting requirements continue LSA-wise or only required to be fulfilled once at DoT HQ? etc.

It's important to note that satellite-based services inherently require a national-level approach, as they cannot be confined to metro or circle levels. The existing Commercial CUG VSAT Authorization under UL is already issued on a National Level, recognizing this reality. Such an authorisation would be anti-competitive, disadvantage smaller and niche service providers focused on

specific services, and result in additional reporting requirements, increased costs, and ultimately be against consumer interests.

For other services, a unified national authorisation could pose challenges:

(a) Diverse service requirements: ISPs and Access Service providers have significantly different operational needs, security requirements, and network architectures. A unified authorisation might impose unnecessary burdens on ISPs who don't require the same level of security protocols as Access Service providers.

(b) Reporting complexities: A national unified authorisation would likely require more comprehensive reporting. This could be particularly challenging for smaller ISPs who currently operate within limited geographical areas and have simpler reporting structures.

(c) Competitive implications: Larger providers offering both ISP and Access Services might more easily adapt to a unified authorisation, potentially giving them an advantage over smaller, specialized providers. This could reduce market competition, particularly in the ISP sector.

(d) Consumer impact: The increased regulatory burden could lead to higher costs and reduced service flexibility, particularly for niche or localized services, ultimately impacting consumer choice and affordability.

Network interconnection compliance also varies depending on the nature of the service and whether it is public or non-public. Consolidating all these requirements under a single end-to-end authorisation would increase operational complexities, making it difficult for smaller service providers to do business.

Larger service providers offering multiple services might be better positioned to comply with a consolidated authorisation, giving them a competitive advantage over smaller providers. This could lead to reduced competition and harm the interests of consumers.

Clause 3(2) of the Telecommunications Act states that the Central Government may provide different terms and conditions for authorisation for different types of telecommunication services, networks, or radio equipment. This provision acknowledges the need for differentiated terms and conditions based on service requirements.

We believe maintaining service-specific authorisations, with the exception of inherently national services like satellite-based communications, better serves the diverse needs of the telecom sector and consumers.

**Q7. Within the scope of Internet Service authorisation under the Telecommunications Act, 2023, is there a need to include the provision of leased circuits/Virtual Private Networks (VPNs) 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 Q7 above:**

**(a) What should be the terms and conditions (technical, operational, security-related, etc.) applicable to Internet Service authorisation?**

**(b) Any other suggestions 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.**

**ISpA Response:**

No comment.

**Q9. Is there a need to merge the scopes of the existing National Long Distance (NLD) Service authorisation and International Long Distance (ILD) Service authorisation into a single authorisation called Long Distance Service authorisation under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**

**ISpA Response:**

No comment.

**Q10. In case it is decided to merge the scopes of the existing NLD Service authorisation and ILD Service authorisation into a single authorisation called 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 applied to 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.**

**ISpA Response:**

No comment.

**Q11. Is there a need to merge the scopes of the existing GMPCS authorisation and Commercial VSAT CUG Service authorisation into a single authorisation called Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**

**Q12. In case it is decided to merge the scopes of the existing GMPCS authorisation and Commercial VSAT CUG Service authorisation into a single authorisation called 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 terms and conditions (technical, operational, security-related, etc.) should be applied to the proposed Satellite-based Telecommunication 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.**

**ISpA Response:**

The GMPCS and Commercial VSAT CUG services are fundamentally different in terms of scope, nature, and purpose. Consequently, the requirements for security, network interconnection, technical and operational conditions, and reporting are also distinct. GMPCS is designed as a satellite-based public phone service, while Commercial VSAT CUG focuses on providing data connectivity for Closed User Group (CUG) services.

Given these differences, merging the GMPCS authorisation and Commercial VSAT CUG Service authorisation into a single authorisation would not be practical. The differing requirements for network interconnection, security,

technical and operational conditions would result in significantly higher and unnecessary compliance burdens, increased costs, and added complexity.

Because of the substantial differences in the scope of services and the specific terms of each authorisation, we believe that GMPCS and Commercial VSAT CUG Service authorisations should remain separate

We also recommend the removal of compliance requirements that have been set out for Internet Leased Lines (ILL) which are also applicable for VSAT authorization also. Today the license mandates compliance requirements such as routine inspection of customer sites for the ILL service and the compliance requirements uniformly applies to VSATs providing internet also. Internet under VSAT authorization is provided from a central VSAT Hub connected to an internet node with services being provided to business users (B2B segment).

Thus, the terms and conditions related to the provision of ILL to internet service provided through VSAT prejudice its deployment and to bridge the digital divide mission of Govt. of India. As such, we suggest this parallel between ILL & VSAT should be removed. Instead, a self-certification mechanism may kindly be considered. This will reduce the operational burden for both consumers and VSAT service providers.

**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.**

**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.**

**ISpA Response:**

There is neither any need for introduction of a separate DCIP Authorisation, nor for clubbing it with IP-I registration, for the following reasons:

1. The existing regime is working well and is sufficiently disaggregated at infrastructure, network and service levels.

2. The Indian telecom industry has already made significant investments in network and have reached a tele-density of 85.15%, with over 96% population under terrestrial coverage. To reach hitherto uncovered areas, the focus now should be on measures like rationalization of levies, faster and cost-effective RoW policies etc., instead of changing the licensing regime.

3. TRAI has proposed zero license fee for DCIPs. This will create arbitrage over TSPs wishing to offer their infrastructure for sharing with other TSPs.

4. Moreover, while DCIPs will not be subjected to any LF, TSPs will also not be allowed to claim pass-through deductions for charges paid to DCIPs. This amounts to unjust enrichment of one set of operators at the cost of others.

5. Introduction of DCIPs will make TSPs dependent on third parties, for major decisions like launch of new services, deployment of new technology etc. This will discourage innovation.

6. It is also proposed to exempt DCIPs from QoS compliances. This will make TSPs liable for consequences like financial disincentives, even when the failure to meet QoS benchmarks is due to the fault of the DCIP and not the TSP.

**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.**

**ISpA Response:**

No comment.

**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.**

**ISpA Response:**

No, there is no need for removing any of the existing authorisations.

**Q17. Whether there is a need for introducing certain new authorisations or subcategories 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?**

**ISpA Response:**

To position India as a hub for the space ecosystem, including satellite communication services, a supportive framework is needed to encourage satellite operators and service providers to set up regional gateways in India for government-approved satellite systems. These regional hubs can serve both Indian service providers and regional markets outside India, such as South Asia, South-East Asia, and the Middle East.

TRAI, in its recommendation dated 29.11.2022, has already suggested a separate Satellite Earth Station Gateway (SESG) license. This recommendation should be considered for inclusion as a new authorization under the Telecommunications Act, 2023.

**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.**

**ISpA Response:**

Regarding Commercial VSAT CUG Authorization, the following points should be considered:

(a) Since satellite connectivity aims to serve the remotest and under-connected areas, the Universal Service Obligation (USO) levy of 5% of Adjusted Gross Revenue (AGR), paid as a License Fee (LF), should be exempted for VSAT Service operators.

(b) The Spectrum Usage Charge (SUC) should be reduced from 4% to 1% of AGR, as recommended by TRAI.

(c) Inclusion of following missing clauses in VNO-Commercial CUG-VSAT Authorization which are already allowed under Commercial CUG VSAT Authorization

(i) VSAT terminal may also be used to aggregate the traffic from M2M/ IoT devices/aggregator devices

(ii) VSAT licensee may use VSAT to provide backhaul connectivity to service providers having license/ Authorization/ Registration for M2M services.

(iii) User terminal stations on moving platforms are also permitted for provisioning of connectivity subject to compliance to relevant TEC standard(s) and conditions mentioned therein.

Apart from the above, the following should also be taken into consideration:

(i) <u>Costs incurred towards telecom security</u>

With evolving technology, the security-related compliance conditions imposed on TSPs have also evolved. The measures now required to be taken by TSPs include installation of infrastructure for robust lawful interception of telecom traffic by the Law Enforcement Agencies (LEAs), monitoring of telecom traffic

by various Government agencies as well as storage of Call Data Records (CDRs)/Exchange Detail Records (EDRs)/IP Detail Records (IPDRs), etc.

While we remain fully committed to the primary aim behind these measures, i.e. ensuring National security, it needs to be highlighted that the elaborate infrastructure set up, required to provide the lawful interception and monitoring (LIM) facility at the premises of various LEAs/Government agencies and to store the huge amount of CDRs/EDRs/IPDRs generated due to the humongous traffic flowing through the networks these days, involves a huge CAPEX as well as OPEX.

It is pertinent to highlight here that the traffic carried on TSPs networks is multiplying very rapidly. The overall traffic is growing on both counts – expansion in customer base as well as increase in voice and data usage per customer. As per TRAI's own reports, the volume of Indian telecom traffic in 2023 grew ~1.5x the traffic in 2021. It is estimated to grow by 300% by 2028, compared to 2021.

Further, TSPs are subjected to new obligations, depending on the requirements of the LEAs. For instance, in 2021, the period for which CDRs/EDRs/IPDRs have to be stored, was doubled to 2 years. With the ever-increasing traffic, the storage of these records for double the time is a herculean task, even without the substantial costs that the TSPs have to incur. On top of it, additional parameters relating to the destination IP and destination port have been included in the IPDR format, which again adds up not just to the storage, but also the extraction and computation obligations for TSPs.

Apart from these National security requirements, TSPs are also required to make significant investments into cyber security, to protect both their own networks as well as the data of their subscribers from different types of threats and attacks.

Given the importance of such measures in the socio-economic resilience of the country as a whole, the TSPs alone must not be saddled with the entire responsibility of implementing the same. It is necessary for the Government to support the costs being incurred by TSPs towards security compliance, to bring about a balance in ecosystem. Appropriate budgetary support or contribution may effectively alleviate the (incremental) cost burden of meeting National Security requirements on TSPs.

We submit that regulators and Governments in various countries around the world allow for financial compensation to TSPs to cover infrastructure costs for maintaining national security or for lawful interception and monitoring. For instance, in Australia, the Telecommunications (Interception and Access) Act 1979 (Section 207-208 and 210) puts the onus of bearing the costs on

both Carriers and Interception Agencies.[1] In France, the Postal and Electronic Communications Code (Article L34-1) allows for financial compensation responding to LEA requests pertaining to national security.[2] In the United Kingdom, the Investigatory Powers Act, 2016 (Section 249) provides for Government contribution towards the compliance costs incurred by TSPs.[3] In the United States, the Communications Assistance for Law Enforcement Act includes Cost Recovery Regulations with reimbursement procedures.[4]

**Therefore, a process should be established whereby the costs of meeting the requirements of LEAs/various Government agencies for the purpose of maintaining National Security and enabling Law Enforcement, are reimbursed by the Government/ the respective agencies.**

(ii) Approvals for Foreign Personnel and Remote Access

Clause 39.3 under Chapter-VI (Security Conditions) requires licensees to obtain security clearance from MHA for all foreign personnel deployed for installation, operation and maintenance of the network. Further, clause 39.23(xi) requires licensees to obtain DoT's prior approval for Remote Access (RA).

**In the interest of ease of doing business, these prior approvals/clearances should be replaced with intimations. The licensee may be required to take appropriate action in case of any objection post intimation.**

(iii)Compensation for Suspension of Services

There has been a huge spike in the number of orders for suspension of services or data barring orders recently. **TSPs should be compensated for the duration of such orders, and no LF/SUC should be levied for such time period.**

(iv) Changes required in view of MTCTE and NSDTS frameworks

[1] https://classic.austlii.edu.au/au/legis/cth/consol_act/taaa1979410/s208.html; https://classic.austlii.edu.au/au/legis/cth/consol_act/taaa1979410/s209.html; http://classic.austlii.edu.au/au/legis/cth/consol_act/taaa1979410/s210.html
[2] https://www.wipo.int/wipolex/en/text/493345
[3] https://www.legislation.gov.uk/ukpga/2016/25/section/249/enacted
[4] https://www.ecfr.gov/current/title-28/chapter-I/part-100

Clause 39.6 under Chapter-VI (Security Conditions) requires network elements to be tested against various standards – ISO, 3GPP etc. Further, there are multiple provisions – including clauses 39.9, 39.10(ii), 39.11(iv)(a) etc. – which require the licensees to maintain the record of the supply chain of equipment, include clauses allowing DoT the power to inspect vendor premises in the agreements with vendors, maintain a record of operation and maintenance command logs etc.

**We submit that these provisions have now become redundant in view of the MTCTE and NSDTS frameworks being put in place. The objectives behind the above provisions are being very well served by the MTCTE and NSDTS frameworks. Therefore, these provisions may be done away with.**

Further, **the requirement for NSDTS approval for CPE provided by TSPs should also be done away with**. This will bring parity between the CPE procured by customers directly from the market and the CPE provided by TSP.

(v) Uniformity in Infrastructure Sharing Provisions

Clause 2.4 under Chapter-I (General Conditions) provides that licensees may share infrastructure as per the respective scopes of individual service authorisations. Thereafter, each individual service authorisation has separate clauses on infrastructure sharing. This leads to confusion and non-uniformity.

**In the interests of simplification, the infrastructure sharing provisions should be deleted from the respective service authorisations. Instead, it should be provided under Part-I of the UL (applicable to all service authorizations), that sharing of both passive and active infrastructure (except core network) is allowed.**

**Further, pass-through deductions should be allowed for infrastructure sharing charges.**

(vi) Provisions for Subscriber Registration

Clause 30 under Chapter-V (Operating Conditions) prescribes certain requirements related to subscriber registration and provision of service. For instance, it requires publication of telephone directory, provision of itemized bill to customers, consumer grievance redressal, etc.

However, we submit that **most of these requirements have now become redundant in view of the change in nature of services and market**

**dynamics. Moreover, TRAI regulations also take care of some of these requirements. Therefore, such requirements may be reviewed and done away with.**

(vii) Annual FDI Compliance

Clause 1.2 under Chapter-I (General Conditions) requires licensees to file an annual FDI compliance on the 1st of January every year. **We recommend that licensees should be allowed adequate time, say one month, for such submission, instead of prescribing a specific date.**

Further, it should be allowed to be signed by the Authorized Signatory, instead of the current requirement of certification by the Company Secretary and countersign by a Director.

**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.**

**ISpA Response:**

No comments.

**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.**

**ISpA Response:**

No, Access Service VNOs should not be permitted to parent with multiple NSOs holding Access Service authorisation for providing wireless access service.

Such a provision would allow the creation of a super-operator, who would ride on the combined strength of the networks of all existing operators, to provide enhanced coverage than any of the individual existing operators – without making any investments on its own. This would be unfair to existing operators and disrupt the competition in the market.

In any case, TRAI has deliberated upon this issue multiple times – 2008, 2011, 2015, 2017 – and has come to same conclusion, i.e. multi-parenting should not be allowed in case of wireless access services due to the multiple complexities and risks involved with the same. There is no reason to disturb this settled position.

**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.**

**ISpA Response:**

No, there is no need to permit service-specific parenting. The extant approach of authorisation-specific parenting should be continued with.

**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.**

**ISpA Response:**

No comments.

**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.**

**ISpA Response:**

(a) DCIP: We re-iterate that there is no need to introduce such authorisation.

(b) IXP: Concerning IXP authorizations, we submit that the role of the exchanges in this framework should be to provide only a common location or a colocation place (i.e. DC facility) where different ISPs can place their equipment to peer with each other on the commercial conditions mutually agreed. No content-to-content peering should be allowed i.e. the end user should not be allowed to connect at exchanges/IXP for any content-to content peering.

TRAI may accordingly review its recommendation on the Regulatory Framework for the Promotion of the Data Economy through the Establishment of Data Centers, Content Delivery Networks, and Interconnect Exchanges in India, dated November 18, 2022.

(c) CDN: CDNs, especially those operated by unlicensed entities, should be obligated to fulfill some minimum QoS standards. Further, content should always be blocked by issuing orders directly to CDN or platform hosting the content in India or to the content providers.

We also submit that commercial arrangements between CDN and ISPs should continue to be governed by market forces, and no regulatory intervention is required in the same.

Lastly, CDNs can be mandated to set-up their infrastructure in tier-2 and tier-3 cities based on a defined criterion (viz. quantum of traffic).

(d) SESG: The scope of the proposed SESG license should be enhanced to allow the operator to acquire/use spectrum required for the operation of SESGs/SNPs and to install baseband equipment at the SESGs/SNPs. The spectrum required for the operation of UTs should be allocated to service licensees.

The scope of the proposed SESG license should also allow the SESG operators to connect their SESGs with their PoPs, without having to acquire any separate license/authorization.

**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;**

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

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

**ISpA Response:**

No comments.

**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.**

**ISpA Response:** To enhance the ease of doing business within the authorization framework, we recommend the following changes:

(a) **Eliminate NOCC Frequency Plan Approvals:** The requirement for NOCC frequency plan approvals was pertinent when ISRO provided satellite capacity through the GSAT program. For other satellite operators, the frequency plans and link budgets are adequately

managed by the operators themselves. The Department of Telecommunications (DOT) should focus on ensuring compliance with the Telecom Engineering Center (TEC) Interface Requirements document, rather than approving frequency plans and link budgets for each network both prior to deployment and during the network's lifecycle.

(b) As the Satellite Connectivity is meant for connecting the remotest areas (un-connected & under connected), hence the USOF levy of 5% of AGR should be waived off for VSAT Service operators.

(c) SUC should be reduced from 4% to 1% of AGR.

(d) De-licensing of VSAT Terminals w.r.t the 1933 Wireless Act: VSAT Terminals predominantly communicate only with a central hub or a gateway. The licensor exercises significant regulatory control over the licensees and can ensure compliance to the various regulations by alternate means. As satellite communication continues to evolve and large-scale deployments are likely to happen, dealing and possession of VSAT Terminals should be exempted from the Wireless Act. This will facilitate the availability/distribution of such terminals through many distribution channels including e-commerce platforms, without holding any Dealers Possession License – DPL. This will not only spur growth but will also bring in a healthy competition that would be favourable to consumer interests.

**(e) Requirement of In-Principle Clearance from Inter-Ministerial Committee for SatCom Networks:** Even after obtaining the license/authorization, a satellite operator is still required to obtain in-principle clearance from IMC-SNC for establishing or making modification in any satellite-based communication network.
We believe that these requirements are archaic and do not serve any purpose today, and hence, should be done away with.
Moreover, there is no corresponding requirement of obtaining such a clearance from an Inter-Ministerial Committee even in the case of vast terrestrial networks deployed across the country, covering over a billion subscribers, operating in multiple spectrum bands (including sub-GHz, mid-band, mmwave etc.) and multiple technologies (2G/3G/4G/5G), and, managing interference with other operators at circle levels, as well as with Government users and unlicensed operators.
As SatCom will remain a very niche segment relative to terrestrial, there is no point in continuing with such onerous requirements for SatCom.

This will simplify the procedure and save time in launch of services, without affecting Government requirements.
Therefore, the requirement of in-principle clearance of IMC-SNC for establishing/ modifying satellite-based communication networks should be done away with.

**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.**

**ISpA Response:**

There are provisions related to infrastructure sharing in the current license as well, and it is going on for more than a decade. Apart from some changes in the interests of uniformity and clarity (as suggested under Q18), there is no need for change in provisions related to ownership of network and equipment.

**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.**

**ISpA 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.**

**ISpA Response:**

No comments.

**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.**

**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.**

**ISpA Response:** To align with the New Indian Space Policy-2023, which allows Non-Governmental Entities (NGEs) to provide international space-based communication services from India. Indian Satcom Service Providers should be permitted to offer connectivity to foreign countries, including neighbouring countries, in accordance with international and foreign country-specific regulatory guidelines. This will allow Indian VSAT Service Providers to use Indian Gateways to serve the neighbouring South Asian countries, establishing India as a pioneer and leader in satellite communication services in the region.

**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.**

**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.**

**ISpA Response:** We believe that the process of migration to the new regime will be voluntary, in line with the provisions of the Telecom Act. Further, we recommend the following:

(a) There should not be any additional financial burden in case of migration of the existing licensees to the new authorisation regime.

(b) Process should be simplified and time-bound.

(c) Minimal documentation to be required.

(d) Migration to the new regime should not create a disparity between the licenses and the principles of fairness and equity should be maintained. The terms and conditions applicable to the existing licensees who choose not to migrate should be no worse-off than those applicable to

such licensees who choose to migrate as well as to new entrants who obtain an authorization under the new regime.

(e) Migration should not be conditional upon withdrawal of sub-judice matters or upon submission of BGs/undertakings regarding payment of dues in respect of such matters.

**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.**

**ISpA Response:**

Yes, new guidelines should be formulated and should factor in the following submissions:

(a) The extant guidelines are limited to CMTS/UASL/UL (Access). Service authorizations other than Access, such as NLD, ILD, VSAT, ISP, etc. should also be covered under the new guidelines. They should also provide for transfer/merger/demerger of authorizations between two VNOs or even a VNO and an NSO.

(b) The extant guidelines allow transfer of licenses pursuant to an NCLT-sanctioned scheme of arrangement/demerger. Other methods, including slump sale and business transfer agreement, should also be recognized under the new guidelines.

(c) There should be no separate requirement of DoT's approval for merger/demerger, post the completion of the NCLT proceedings, as DoT is itself involved in the NCLT proceedings.

(d) Neither the Transferor Company nor the Transferee Company should be required to clear their outstanding dues for the purpose of obtaining DoT's permission for merger/demerger and transfer, in case of dispute pertaining to the outstanding dues and/or the matter being sub-judice.

(e) The requirement of submission of BG in respect of OTSC dues or any other related dues should be done away with.

(f) The time spent in pursuing any litigation on account of which the final approval for merger/demerger is not granted by DoT or any other authority, should be excluded while calculating the one-year time frame granted post NCLT approval for transfer/merger of licenses/authorizations. Also, strict timelines must be stipulated for DoT to exercise its legal remedies against any merger/demerger.

**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.**

**ISpA Response:**

Yes, guidelines should be formulated 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 Telecom Act.

Section 32(3) of the Telecom Act lists down the factors which need to be taken into account by an Adjudicating Officer while deciding on the amount of penalty under the Second Schedule. However, the application of these factors should not be left to the discretion of individual officers; rather, detailed guidelines should be issued as to how the application of these factors may result in the classification of a breach as severe, major, moderate, minor or non-severe, along with examples.

We further submit that penalty should be imposed only when it is clearly established without doubt that there has been wilful conduct on the part of the licensee/authorised entity, which resulted in the breach. Furthermore, the penalty amount should be charged only once per incident, irrespective of the number of authorisations held by the operator or the number of circles affected by the incident.

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

**ISpA Response:** Pending issuance of Rules, spectrum for SatCom should be assigned to NGSO-based operators on provisional basis. Operators may

provide an undertaking that the spectrum charges would be applicable from the date of assignment as decided under the final policy. This will avoid any delay in launch of services.

**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 (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.**

**ISpA Response:**

No comment.

**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 networth of the Authorised entity Please support your response with proper justification.**

**ISpA Response:**

No comment.

**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 (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.**

**ISpA Response:**

No response.

**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 net worth of the Authorised entity Please support your response with proper justification.**

**ISpA Response:** As submitted under Q11-12, there is no need to club GMPCS and Commercial VSAT CUG authorisations.

**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.**

**ISpA Response:** As submitted, there is no need to club any authorisations.

However, as a principle, the following approach shall be taken in such instances:

i. **Amount of application processing fees**

The application processing fee in case of clubbed service authorizations should remain consistent with the fee prescribed for individual service authorizations, currently fixed at a uniform rate of INR 1 lakh. This consistency is warranted because even in cases of clubbed service authorizations, the application remains singular.

ii. **Amount of entry fees**

The determination of the entry fee amount should be arrived at by aggregating the entry fees of individual service authorizations that are being clubbed into a single authorization, since it allows two distinct services to be brought under a single authorisation. This method is crucial in maintaining

fairness and equality between existing market participants and new entrants.

### iii. Provisions of bank guarantees

As a principle the requirements of BGs should be dispensed with. However, if this is required to be retained then the amount of the BG should be based on the sum of the BGs of the individual service authorizations that are being consolidated into a single authorization. This will ensure fairness and equality between existing market participants and new entrants.

### iv. Definitions of GR, ApGR and AGR

a. The scope of revenue should be limited to revenue from licensed activities only. The activities that do not require authorization under the Act should be excluded from the ambit of LF.

b. The scope of deduction should be increased to make it effective and should include charges paid by one TSP to another TSP to avoid the cascading effect of LF.

c. Co-existence of licensed telecom services with non-licensed services/products should not attract levy on composite product/service. DoT can protect its legitimate revenue by adopting a fair valuation approach.

### v. Rate of authorisation fee

a. At the outset, we submit that the USOF levy (5%) should be delinked the from license/authorisation fee (3%).

b. The license/authorisation fee should be brought down from 3% to 1%. The Government now earns significant revenues from spectrum auctions; and it is unlike the time when spectrum was bundled with license and LF was the only source of revenue for the Government. Thus, LF levy needs to be rationalized.

c. As India's new Telecom Act ushers in reformed regulatory regime to attract investments, and ensure sustainability of the telecom sector, the regulatory levy (authorisation/license Fee component) should be rationalised in line with international jurisdictions, which recover only the administrative cost of managing/administering the authorisation/ license. The same approach should now be followed in India i.e. recover only the cost of administering the authorisation/ license, in line with international best practices.

d. The USOF levy should be abolished altogether, or at least kept in abeyance till the unutilized corpus gets fully utilized. Alternatively, the rate should be immediately brought down from 5% to 3%.

e. Moreover, the USO Fund / Digital Bharat Nidhi has amassed a substantial corpus of over INR 79,638.31 Cr. (as on 31.01.2024). Over the years, USOF collection has been increasing, whereas the disbursement has been comparatively lower. On the other hand, significant CAPEX has been invested by the industry in the rollout of 4G and 5G technologies and expansion of telecom services in the uncovered areas.

f. Furthermore, most of the population is already covered by mobile broadband networks and the remaining population is likely to be covered under the current projects undertaken by USOF the 5% USOF levy on TSPs should be abolished. In the interim and in any case, it must be kept in abeyance till the entire unutilized amount of the corpus gets fully utilized; or alternatively, it should be immediately brought down from 5% to 3% in line with the TRAI recommendations.

**vi. Minimum equity and networth of the Authorised entity**

If the Authority decides to introduce a clubbed service authorization, the guiding principle to determine the minimum equity and networth requirements for such clubbed authorization should be to ensure that the requirements align with the individual authorisation under which the requirements are higher.

**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.**

**ISpA Response:**

No comments.

**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.**

**ISpA Response:**

There is no need for change in the existing provisions with respect to application processing fees.

**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 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.**

**ISpA Response:**

The amount of entry fee should be kept the same as existing for the various service authorisations under the UL/UL(VNO) license.

The requirement of BGs should be done away with altogether. However, in case it is retained, the same provisions should continue as currently existing.

**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.**

**ISpA Response:**

**(i) Chapter III (Financial Condition) of the UL:**

LF Payment & Assessment

*Advance payment of License Fees*

Clause 20.4 of the UL, which provides for the schedule of payment of LF, requires the payment for 4th quarter of the year by 25th March on the basis of expected revenue for the quarter, subject to a minimum payment equal to the revenue share paid for the previous quarter.

*Clause for Reciprocal Interest*

Further, clause 20.7 of UL prescribes interest in case of any delay in payment of LF. Since the payment for the 4th quarter is in advance and on an estimated basis, there may be some excess/ short payment of LF. Again, as per clause 20.8, the final adjustment of LF is to be done on the basis of the audited statement submitted by the licensee. Many a times, in order to avoid accumulation of penal interest, TSPs estimate by keeping additional margin leading to excess payment of LF.

However, despite being a contract wherein parties to contract have equal rights, while DoT has kept provision for charging interest on short/delayed payment, there is no reciprocal provision for interest in case of refund becoming due to the TSP. It is to be noted that even in case of Income Tax refunds, which is a statutory levy, there is provision to pay interest on Tax refunds for delay beyond a particular period.

Special Audit of TSP

Clause 22.5 and 22.6 of the UL provide for Special Audit of the TSP, appointment of Special Auditors, their powers, cost etc. and appear to be repetitive in nature. Additionally, at present the clause is one sided and does not allow right of representation against decision for such special Audit.

**Therefore, we recommend the following provisions/modification under the financial conditions of the License Agreement:**

**A. LF Payment & Assessment**

1. In case of advance payment to be made on 25th March, there should not be a mandate to pay minimum equal to the payment made for 3rd quarter of the year. Further, if it needs to be mandated, then interest should not be levied in case there is a shortfall in the payment which got actualized/paid at the time of final payout, i.e. on 15th April.
2. There should be provision for reciprocal interest in case of refund due to the TSP.

This will ensure timely assessment and no loss to TSP even if some excess payment has been made by the TSP, besides ensuring time value of money.

**B. Special Audit:**

1. Clause 22.5 and 22.6 may be combined into one.
2. The new clause should also provide for an 'opportunity of being heard' to be given to TSP before finalizing decision on Special Audit, and for a reasoned order against the TSP's submissions.

**(ii) Pass-Through Deductions for Infrastructure Sharing Charges**

In case of a VNO, all charges paid to TSP through whose network the VNO's services are actually provisioned, is allowed as deduction from GR/ApGR. However, if the TSP takes bandwidth from another TSP to complete its network, the same is not allowed as a deduction.

It is be understood that similar to VNO, TSP also takes services from another TSP to complete the gap in ultimate service to be rendered to end customer. For example, an Access Licensee establishes a network connection with an ISP to allow its customers access to internet or an NLD license takes last mile connectivity from other NLD/Access provider to serve its end customers etc.

Thus, the way amount paid by a VNO to TSP is an input cost for VNO, the charges paid by one TSP to another TSP is also an input cost for the TSP paying the same. Additionally, NDCP 2018, vide section 2.1(b)(ii), provides that the LF paid on any input services should be set off against the LF payable by an operator on output service, thereby avoiding double incidence of levies.

Therefore, the charges for infrastructure sharing paid by one TSP to another TSP should be allowed as deduction while computing the AGR of paying TSP and the conditions to that extent should be modified.

**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**

**ISpA Response:**

As submitted under Q13-14, there is neither any need to introduce separate DCIP authorisation nor to club it with IP-I registration.

**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.**

**ISpA Response:**

No comments.

**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.**

**ISpA Response:**

Yes, the existing framework for financial conditions should be continued for other standalone licenses/registrations/authorisations/permissions.

However, as a principle, we suggest that in case any financial requirement is lowered, the same should be extended to all existing license/ registration/authorisation holders, in a non-discriminatory manner.

**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.**

**ISpA Response:**

As submitted under Q15, there is no need to club M2M and WPAN/WLAN registrations. However, in case it is clubbed, the same processing fees may be charged as applicable for either one of them currently. Other applicable fees/charges should be the sum total of the respective fees/charges under respective authorisations.

**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.**

**ISpA Response:**

We suggest that in interest of ease of doing business, the requirement to submit an Affidavit with quarterly payment of LF and SUC should be done away with altogether. There is no need to even replace it with a Self-Certificate with similar content, as Aadhaar-based verification is carried out at the submission. In such a scenario, both Affidavit and Self-Certificate would only lead to time lag without adding any value.

**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 along with detailed justification for the inclusion/deletion.**

**ISpA Response:**

Yes, there is a need to revise/modify/simplify the existing formats of AGR Statement for each license/authorisation. The simplification should be carried out in line with our suggestions for the definitions of GR/ApGR/AGR under Q36 (iv).

**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.**

**ISpA Response:**

As submitted under Q5-6, we advocate for a detailed consultation on these aspects to refine the approach towards a unified service authorization at a national level.

Accordingly, the format of AGR Statement for such authorisation may be finalized only after such detailed consultation.

**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.**

**ISpA Response:**

Please refer to our response to Q7-8. We reiterate that there is no need to enhance the scope of the ISP authorisation as the same is against the spirit of level playing field.

**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.**

**ISpA Response:**

No comment.

**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.**

**ISpA Response:**

As given in our response to Q11, there is substantial difference in scope of services and terms of respective authorization, there is hardly any scope of merging these two authorizations. Therefore, we believe that GMPCS and Commercial VSAT CUG service Authorization should be kept separate.

**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.**

**ISpA Response:**

No comment.

**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.**

**ISpA Response:**

At present, the norms of accounting under the license do not allow to follow a consistent accounting policy which is a basic norm for the preparation of any financial statement. For instance, while Revenue is allowed on accrual basis, Expense is allowed on actual paid basis.

Further, as per the norms of preparation of Annual Financial Statement as prescribed under the license agreement, there are many items of information that are not relevant today, e.g.:

i. Service Tax/Sales Tax billed, collected and remitted to the Government

ii. Details of income from sale of goods indicating income and no. of units sold, method of inventory valuation, cost of goods sold etc.

iii. Increase /decrease in stock

iv. Details of reversals of previous years' debits to be shown component wise

v. Bifurcation of roaming charges

Therefore, it is suggested that the AGR Statement should be prepared following a consistent approach adopted all across industry and the requirements should be aligned with the Companies Act.

**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.**

**ISpA Response:**

In case of migration from existing Unified License regime to the new Authorisations regime, we suggest that, no entry fee should be applicable in case of migration, since existing licensees would have already paid the requisite entry fee at the time of obtaining the extant license.

Further, in case there is an overall reduction in the entry fees under the new regime, the benefit should also be extended to the existing licensees, to bring in a level playing field.

**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.**

**ISpA Response:**

A nominal application processing fee, say Rs. 50,000/- similar to that prescribed under UL guidelines, may be charged in case of migration.

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

**ISpA Response:**

No comments.

**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.**

**ISpA Response:**

No comments.

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