

RCL/TRAI/LT/16-17/5391

13<sup>th</sup> October, 2016

Shri S. K. Mishra  
Pr. Advisor (F&EA)

Telecom Regulatory Authority of India  
Mahanagar Doorsanchar Bhawan,  
Jawaharlal Nehru Marg,  
New Delhi-110 002

**Subject:** Comments on Consultation Paper "Spectrum Usage Charges and Presumptive Adjusted Gross Revenue for Internet Service Providers and Commercial very Small Aperture Terminal Service Providers"

**Reference:** TRAI Consultation Paper dated 19<sup>th</sup> August, 2016

Dear Sir,

At the outset, we are thankful to the Authority for giving an opportunity to submit our views on the issues raised in the said consultation paper.

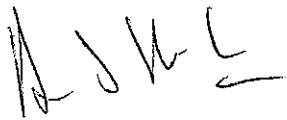
2. We would like to submit our views on different issues raised by the Authority with respect to the SUC and Presumptive AGR for ISPs. The same are outlined below:

- In the WRC 2015, Government of India has already submitted that they have identified the band 3.3GHz as IMT band and will be used to provide mobile broadband services in near future. Hence, we suggest that the Government should come out with a plan for migration of existing operators operating on this band to other frequency bands.
- The ISPs who still like to use the 3.3 GHz band to provide the last mile access should be mandated to opt the UL (Access Authorization) once the Government come out with the plan to convert the 3.3GHz band as IMT band.
- As these bands, as identified in the consultation paper, are allocated on link to link basis and to a certain area of the LSA, it is not justifiable to levy SUC based on AGR accruing from the entire service area. For example, if an ISP holding Category 'A' license has been allocated the spectrum only in two cities, the SUC cannot be levied on the revenues earned across the country including those locations where the ISP is using unlicensed spectrum band to provide its services.
- If the allocation of spectrum is on the entire LSA instead of one particular area of the LSA, then the SUC for such allocated spectrum can be prescribed as percentage of AGR and at a rate of 3% as prescribed by the DoT for all type of spectrum bands.

- SUC shall be levied only on the revenue earned through those services rendered through the use of allocated spectrum (link). Any other revenue which has no linkage with the allocated spectrum should not be construed as part of revenue to calculate the SUC.
  - We believe that interest rates for delayed payment of royalty for the use of spectrum should be at par with the interest rates for delayed payment of license fee/ SUC for other licensed telecom services. Further, we recommend TRAI to change the methodology of charging the interest from delayed payments from SBI PLR Rate +2% to SBI base Rate.
  - To calculate the interest charges, the PLR rate is no longer in use. DoT in its for spectrum auction has prescribed the current SBI Base Rate of 9.30% to be used as the IRR in case of payment to be made as per the deferred payment option. Hence, the methodology of charging the interest from delayed payments should be modified from SBI PLR Rate +2% to SBI base Rate for the delayed payment of royalty.
3. We hope that Authority would find merit in our suggestions and take these into account before taking final decision on this issue.

Thanking you,

With Regards,  
For **Reliance Communications Ltd.**



**(Authorized Signatory)**

Please reply to: Amit mathur

Executive Sr. Vice President

Fax: 011- 3033 1781