

No. 20-281/2010-AS-I (Vol.-V)
Govt. of India
Ministry of Communications & IT
Department of Telecom
(Access Services Wing)

Dated: 02 .05.2012

To

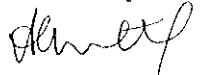
**The Secretary,
TRAI,
New Delhi.**

Sub: TRAI recommendations dated 16.04.2012 on Guidelines for Unified licence/class licence and migration of existing licences.

Reference is invited to TRAI letter No. 903-2/2012-MS dated 16.4.2012 vide which recommendations on the above subject were forwarded to Secretary, DoT.

Above said recommendations of TRAI have been examined and it has been felt, *prima-facie*, that on certain issues clarifications/reconsidered recommendations are required. In accordance with the provisions of Section 11 on the TRAI Act, 1997, recommendations of TRAI are referred back, as per **annexure-I** containing DoT's comments against such recommendations which require clarification/reconsidered recommendations.

Encls.: As above.


(A.K.Mittal)
Sr.DDG(AS)

o/c

DoT's Comments
on
The TRAI Recommendations dated 16.04.2012
on
“Guidelines for Unified Licence/Class Licence
and
Migration of Existing Licences”

The para-wise Comments of DoT are as below :

TRAI's Recommendations	DoT's comments
I. Guidelines for Unified Licence (Appendix to the recommendation)	
A. Unified Licence	
1. Framework	
1.1 There shall be three levels of Unified Licence: National level, Service area level and District level. The Applicant Company can apply either for National level Unified Licence or Service area level Unified Licence or District level Unified Licence. Only Service level Unified Licence will be given for Metro areas of Delhi, Mumbai and Kolkata.	<p>Though the services under National Unified licence will cover the total country, it is noted that TRAI has not specified the whether the service area of National Unified licence shall be one national service area or a summation of 22 service areas to keep consistency with service area UL. Accordingly whether the networks have to be single nationwide networks in a single SA or 22 networks under one licence.</p> <p>For provision of access services it is recommended that administration of national unified licence would be service area wise for all aspects including LF/SUC /PBG/FBG /roll-out/numbering plan etc. Separate accounts will have to be maintained service</p>
1.2 For the purpose of the Unified Licence, the service areas shall be as listed in Annexure – I.	
1.3 A company can apply for Unified Licence in more than one service area or district. However, if a company desires to apply for Unified Licence in more than four districts in a service area, it has to apply for Service area level Unified Licence.	
1.4 Subject to fulfilment of relevant eligibility conditions. Licence shall be issued on non exclusive basis, without any restriction on the number of licences.	
1.5 In addition to a Unified Licence, TRAI reserves the right to award/allocate Licences to	



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<p>offer specific services like Mobile Number Portability (MNP) services and such other services as may be decided by TRAI from time to time.</p> <p>1.6 At the time of applying for Unified Licence, no access spectrum will be given. A holder of Unified Licence, other than District level Unified Licence, may separately obtain spectrum as per the prevailing policy.</p>	<p>area wise for assessment and deduction etc.</p> <p>TRAI has dealt with district level licence from para 2.1 to 2.15 of recommendations. It is noted that the objective of the current exercise is unification of licences and district level licence which will be without spectrum as recommended, hence DL would be providing only ISP and fixed services and may not serve the purpose of a unified licence. Secondly, holder of such a licence is allowed to work as MVNO as recommended by TRAI in para 2.15. TRAI has already made recommendations regarding MVNO as a part of it's recommendations on Infrastructure Policy which are under consideration of the Government. Further in the draft telecom policy 2012, there is a proposal to delink licensing of network from delivery of services. Services to be covered under DL need to be indicated so that this concept fit in to the proposed NSO/SDO scheme seamlessly.</p> <p>Moreover, TRAI in it's recommendation in 2010 had recommended to reintroduce category 'C' ISPs and later, on reconsideration TRAI had recommended to give District level UL in place of ISP licence.</p> <p>Govt. did not support the idea of District Licence. However, re-introduction of ISP cat</p>

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	<p>'C' licence was agreed by DoT in-principle.</p> <p>In view of the above, district level licence may be considered after the policy on MVNO is finalised and after a view is taken about the framework of network level licence and service level licence based on the NTP which may be finalised soon by the Government.</p> <p>However, in order to facilitate the objective of rural broadband penetration, whether the scope of licences at district level be restricted to provide internet services by providing last mile connectivity without assignment of licenced Access spectrum. However, backhaul spectrum if required shall be facilitated subject to availability. This licence may be renamed as per the character of services to be provided like Unified Licence-Last Mile Internet.</p> <p>TRAI may provide guidelines/term & conditions for such licence.</p> <p>Regarding para 1.2, it is seen from Annexure-I that categorisation of service areas as A,B and C has been abolished. However, it appears that A,B,C categorisation needs to be continued till atleast the Uniform Licence fee regime is fully implemented which is envisaged in two stages.</p> <p>Secondly, for service areas where adjoining</p>



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	<p>geographies of adjoining states are already included in the UASL licence, for such geographies the USAL licence describes the limit as the local telephone exchange system of such geographies. This has now been recommended to be changed to municipal areas. It is noted that some of these areas are administered by an authority and there is also a possibility that local exchange systems may cover more area than the municipal limit.</p> <p>It is also seen that from Punjab service area, Panchkula town has been removed and made part of Haryana LSA. Though Panchkula is a part of Haryana State, it is a part of Punjab service area. This has also been settled through judicial process. Further, this would have impact on customer roaming & tariff being territorial issues among operators.</p> <p>Three levels of licences shall also pose challenges for implementing M&A guidelines. These issues are dealt in para 13.1.</p> <p>Further, it is noted that Digital Addressable System (DAS) is being implemented by I&B ministry in phased manner from July 2012. DAS may play an important role in broadband</p>

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	<p>penetration by using both way Set Top Boxes. In what way, TRAI's regulations/directions on use of Set Top Boxes under DAS cable TV system may complement the Unified Licence. If required, suitable provisions may be reflected in UL guidelines also.</p> <p>As far as, inclusion of IP-I in UL is concerned, it is to mention that while announcing decision on UL framework on 15-2-2012 (May 2010 recommendation of TRAI), government had deferred inclusion of IP-I in licence framework. It was noted that the FDI limit of 100% currently available to IP-I will come down to 74% impacting adversely the investment in infrastructure. IP-I currently do not provide active infrastructure. TRAI is requested to give their reconsidered recommendations in this regard.</p> <p>In Para 1.5, "TRAI" may be replaced by "Licensor".</p> <p>TRAI may also specify the category of licence for MNPO.</p>
<p>2. Eligibility Conditions</p> <p>2.1 The applicant must be an Indian company, registered under the Indian</p>	<p>The words "Provisions applicable for existing Unified Access Service licence in the Consolidated FDI Policy 2011 issued by Department of</p>

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<p>Companies Act 1956.</p> <p>2.2 The Applicant Company shall have to be in compliance with the relevant provisions of FDI policy of the Government and such modifications to the policy as may be issued from time to time. The relevant provisions are placed at Annexure-II.</p>	<p>Industrial Policy and Promotion and" may be replaced by "relevant provisions of FDI policy of the Government and".</p>
<p>2.3 FDI shall be subject to laws of India and not the laws of the foreign country/countries.</p>	<p>The words after India .i.e.."Andcountries" may be deleted.</p>
<p>2.4 The Applicant Company shall have a minimum networth as well as paid up equity capital of Rs. 25 crore for National level Unified Licence, Rs 2.5 crore for each Service area level Unified Licence and Rs. 25 lakh for each District level Unified Licence on the date of application and shall submit a certificate to this effect (provided by the Company Secretary/ Statutory Auditors of the applicant company) along with the application. The networth of promoters shall not be counted for determining the networth of the company In case of acquiring Unified Licence in any other licence area, the Licensee shall maintain additional net-worth and paid up</p>	<p>The current networth requirement for UASL licence is Rs 100/50/30 Crs for category A/B/C service areas. Therefore for a unified licence with all services, the proposed networth requirement is substantially lower. It is however noted that spectrum has been delinked.</p> <p>It is further noted that networth requirement for existing ISP licences is NIL and Rs 2.5Crs for NLD/ILD licences. This will create issues in migration of existing licensees to UL. The entry barrier for new applicants will also</p>



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<p>equity as prescribed for that service area/district also. The net worth requirement for Unified Licence is summarised below –</p> <p align="center">Table – Minimum Net-worth requirement for various Unified Licences</p> <table border="1"> <thead> <tr> <th>Type of Licence</th> <th>Net-worth and Paid up equity requirement</th> <th>Total Minimum Net-worth and Paid up equity required for more than one Licence areas</th> </tr> </thead> <tbody> <tr> <td>National level Unified Licence</td> <td>Rs 25 Crore</td> <td></td> </tr> <tr> <td>Services area level Unified Licence</td> <td>Rs 2.5 crore for each service area.</td> <td>(Rs. in crore) 2.5 x Number of service areas for which either LOI/ Licence have been issued and applied for in the name of applicant.</td> </tr> <tr> <td>District level Unified Licence</td> <td>Rs. 25 lakh for each district.</td> <td>(Rs. in lakh) 25 x Number of districts for which either LOI/ Licence have been issued and applied for in the name of applicant.</td> </tr> </tbody> </table>			Type of Licence	Net-worth and Paid up equity requirement	Total Minimum Net-worth and Paid up equity required for more than one Licence areas	National level Unified Licence	Rs 25 Crore		Services area level Unified Licence	Rs 2.5 crore for each service area.	(Rs. in crore) 2.5 x Number of service areas for which either LOI/ Licence have been issued and applied for in the name of applicant.	District level Unified Licence	Rs. 25 lakh for each district.	(Rs. in lakh) 25 x Number of districts for which either LOI/ Licence have been issued and applied for in the name of applicant.	<p>become high in terms of networth and entry fee.</p> <p>Conversely, a lower networth requirement, as recommended, for companies who want to operate Access and other services under the scope of UL, may not be desirable as licensee should have a good financial strength to sustain the requirements of operating such business.</p> <p>The objective of growth in the sector requires that the entry barriers in respect of the services requiring comparatively lesser investment than that for access services should remain low.</p> <p>It may be considered whether, this can be resolved by having a framework of UL under which there can be different eligibility for different bouquet of services with entry fee and networth requirement commensurate with the respective bouquet of services.</p> <p>In order to implement such regime, whether National/Service Area/District level licence are necessary or this could be achieved under a single national licence where services and geographical area are allowed to be added in</p>
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	<p>defined steps on "pay as you eat" basis.</p> <p>However, unit for regulation of competition needs to be indicated.</p> <p>TRAI may clarify the above issues.</p> <p>After the words statutory auditors, "countersigned by duly authorised director" may be added.</p> <p>Provisions of para 2.4 of Class License may also be included here.</p>
<p>3. Application Procedure</p> <p>3.1 The Applicant Company shall pay a non refundable processing fee of Rs. 100,000 (Rs. One Lakh) for National level Unified Licence, Rs. 50,000 (Rs. Fifty Thousand) for Service area level Unified Licence and Rs 15,000 (Rs. Fifteen Thousand) for District level Unified Licence.</p> <p>3.2 The Applicant Company shall submit the application in the prescribed Application form for each licence area separately.</p> <p>3.3 Incomplete application is liable to be rejected and the processing fee will not be refunded.</p>	<p>As national level licence is being introduced, separate application forms for different types of unified licences will be required to be prescribed.</p> <p>Since there is no Cap on the number of licences which can be issued and for certain services, backhaul spectrum may be required, there will be a need to define a method of receiving and processing applications so that the principle of Natural Justice is followed.</p> <p>It has been recommended that incomplete applications is liable to be rejected . In normal course some minor discrepancies may be there in the applications filed. There may be a need to give some time to applicant to correct the mistakes etc.</p>

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<p>3.4 The complete application shall ordinarily be decided, within 60 days of the submission of the application and the applicant company shall be informed accordingly.</p> <p>3.5 TRAI reserves the right to accept or reject any application without assigning any reasons.</p> <p>3.6 In case the applicant is found to be eligible for grant of Unified Licence, a Letter of Intent (LOI) will be issued. The applicant shall be required to deposit Entry Fee and submit Bank Guarantee / other documents and sign the licence agreement within a period as mentioned in the letter(LOI) from the date of issue of the letter (LOI) failing which the offer of grant of licence shall stand withdrawn at the expiry of permitted period.</p> <p>3.7 The Applicant Company will be required to pay one time non-refundable Entry Fee before signing the license agreement, based on Letter of Intent (LoI).</p>	<p>In para 3.5 the word TRAI may be replaced by Licensor.</p> <p>Detailed application procedure may be worked out in consultation with TRAI.</p>
<p>4. Entry Fee</p> <p>4.1 One time non refundable Entry Fee for Unified Licence shall be:</p>	<p>The amount recommended for entry fee for</p>



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<p>a. Rs. 15 (Fifteen) crore for National level Unified Licence;</p> <p>b. Rs. 1 (One) crore for each Service area level Unified Licence except for Jammu & Kashmir and North East Service areas where Entry fee will be Rs. 50 (Fifty) lakh each.</p> <p>c. Rs. 10 (Ten) lakh for each District level Unified Licence.</p> <p>4.2 While granting a National level or Service area level Unified Licence, Entry fee already paid for the service area level licences or district level licences will be adjusted on <i>pro rata</i> basis for the balance validity period of such Licences at hand against the Entry Fee for the National level or Service area level Unified Licence. However, where the sum of Entry Fee already paid exceeds the Entry Fee to be paid, there will be no refund of the Entry Fee.</p>	<p>different types of unified licences herein are different than the earlier recommendation of TRAI which prescribed the fee as Rs 20 Crs for all India licence, Rs 2 Crs for Metros and category A Service Areas & Rs 1 Cr for category B and Rs 0.5 Cr for category C areas. This recommendation was accepted in-principle by the Government subject to final decision on TRAI recommendation on UL.</p> <p>It has been noted from the stakeholders comments quoted in para 2.23 of the recommendations that some of them wanted entry fee to be paid on "pay as you eat" basis. In this regard the comments given above regarding bouquet of service under different categories of UL may also be seen.</p> <p>Dispensations provided in para 4.2 shall be applicable to those licencees who are already holding service area UL.</p> <p>TRAI is requested to reconsider in view of the above.</p>
<p>5. Scope of the Licence</p> <p>5.1 Subject to Clauses f and g of Clause 5.1 and Clause 5.2, Unified Licence will be service and technology neutral and the Unified Licensee shall be permitted to provide any telecom service, as defined below on a non-</p>	<p>The word "service neutrality" needs to be removed as the services to be provided and prohibited have been mentioned under the scope of licence.</p>

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<p>exclusive basis, anytime, anywhere, using any technology within its licence area as prescribed below:</p> <p>a. Collection, carriage, transmission and delivery of voice and/or non-voice messages over Licensee's network in the designated licence area and includes provision of all types of access services. Unified licensee can also provide Internet Telephony, Internet Services including IPTV and Broadband Services including triple play i.e. voice, video and data. The Licensee shall be free to enter an agreement with other service provider in India or abroad for providing roaming facility to its subscriber under full mobility service unless advised / directed by TRAI otherwise.</p> <p>b. Unified Licensee can provide dark fibres, Right of Way, duct space, towers on lease / rent / sale basis to the licensees of telecom services on mutually agreed terms and conditions. The Licensee will also be allowed to install and share active network limited to antenna, feeder cable, Node B, Radio Access Network (RAN) and transmission systems and to seek SACFA siting clearance for erecting towers with or without agreement with licensed Service</p>	<p>5.1(b) Sharing of active network should be subject to guidelines and specific licence conditions. TRAI may recommend conditions of active network sharing.</p>

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<p>Providers.</p> <p>c. Unified Licensee can provide Voice mail, Audiotex, Videotex, UMS, Radio paging and PMRTS.</p> <p>d. Unified Licensee is permitted to provide leased circuit within its licence area. Public network is not to be connected with leased circuits/CUGs.</p> <p>e. A Unified Licensee shall be permitted to offer any/all services covered under 'Class licence' and 'Licensing through Authorisation' but not vice-versa.</p> <p>f. The Licensee cannot provide any other service which otherwise require a separate licence.</p> <p>g. The Licensee cannot provide broadcasting services, for which a</p>	<p>5.1(d) May be modified as below: "Unified Licensee is permitted to provide leased circuit within its licence area. Interconnection with PSTN/PLMN/Internet Telephony Network is not permitted with leased circuits/CUGs."</p> <p>5.1(e) A licensee will be permitted to hold only one licence for overlapping services and service areas . The same will apply to existing licensees on migration. Substantial equity (holding of 10% or more) restriction may apply between the categories as mentioned in para 13.1. As mentioned above, the licensee can provide many services which require separate licences. However it may be required to be indicated in the scope that the terms and conditions of such licences will become applicable to the licensee as detailed in Unified License.</p> <p>5.1(g) Following may be added after the</p>

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<p>separate licence / registration is required as per Cable TV Act 1995 and guidelines for DTH Licence issued by Ministry of Information and Broadcasting.</p> <p>5.2 The services which a Unified Licensee can offer will be as below:</p> <p>a. National level Unified Licence shall permit the Licensee to offer any or all of the telecom services mentioned in Clause 5.1 in any/all service areas; GMPCS, NLD and ILD services and Resale of IPLC.</p> <p>b. Service area level Unified Licence shall permit the Licensee to offer any or all of the telecom services mentioned in Clause 5.1 except National Long Distance (NLD), International Long Distance (ILD), Global Mobile Personal Communication by Satellite (GMPCS) services, Resale of IPLC and services covered under Class Licence.</p> <p>c. District level Unified Licence shall permit the Licensee to offer any or all of the telecom services mentioned in Clause 5.1 in the district for which licence is given. However, a District level Unified licensee shall not be permitted to offer NLD, ILD, GMPCS, VSAT & Resale of IPLC, INSAT-MSS and wireless access service. Also, these</p>	<p>words DTH : "Or any other broadcasting service".</p> <p>5.2(c) Comments regarding district level licence may also be seen as in para 1 above.</p> <p>TRAI recommendation against para 2.15(chapter-II) "...the district level service</p>

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<p>Licensees would not be entitled for assignment of spectrum resources for access services. District level Unified Licence will not be given for Metro areas of Delhi, Mumbai and Kolkata.</p> <p>(Note – The definitions of various services mentioned above are as given in Annexure I)</p>	<p>provider may also act as an MVNO.....” is contradictory to what is stated against 5.2(C) of Appendix not permitting wireless access service provisioning. TRAI is requested to clarify.</p>
<p>6. Ownership of Licensee Company</p> <p>6.1 The Licensee shall ensure that all the conditions mentioned in Clause 2 (eligibility conditions) are maintained during the currency of the Unified Licence.</p> <p>6.2 The Licensee shall declare the Indian & Foreign equity holdings (both direct and in-direct) in the Licensee Company and submit a compliance report regarding compliance of FDI norms and security conditions on 1st day of January and 1st day of July of every year to TRAI. This is to be certified by the Company Secretary or Statutory Auditor of the Licensee Company.</p>	<p>6.2 After the words statutory auditors, “countersigned by duly authorised director” may be added.</p>
<p>7. Duration of Licence</p> <p>7.1 The validity period of a Unified Licence will be for a period of 20 years.</p>	

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<p>8. Renewal of Licence</p> <p>8.1 Renewal – TRAI may renew, if deemed expedient, the period of Unified Licence by a period of 10 years at one time upon the request of the Licensee on terms mutually agreed. The decision of TRAI shall be final in this regard.</p> <p>8.2 On renewal, Unified Licensee will be required to pay a Renewal Fee which will be as notified by TRAI.</p>	<p>The word “TRAI” wherever used in 8.1 and</p> <p>8.2 may be replaced by “Licensor”</p>
<p>9. Suspension/revocation/termination/Surrender of Licence</p> <p>9.1 TRAI reserves the right to suspend the operation of this Licence in whole or in part, at any time, if, in its opinion, it is necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of the Telegraph.</p> <p>Provided that TRAI, if the situation so warrants, dispense with the issue of notice prior to such suspension. The decision of the TRAI in this regard shall be final and binding.</p> <p>9.2 TRAI may, without prejudice to any other remedy available for the breach of any conditions of licence, by a written notice of 60 Calendar</p>	<p>The word “TRAI” wherever used in 9.1,9.2 and 9.3 may be replaced by “Licensor”.</p>

TRAI's Recommendations	DoT's comments
<p>days from the date of issue of such notice to the licensee at its registered office, terminate this licence under any of the following circumstances:</p> <p>(i) If the LICENSEE:</p> <ul style="list-style-type: none"> a) fails to perform any obligation(s) under the licence including timely payments of fee and other charges due to the Government; b) fails to rectify, within the time prescribed, any defect/deficiency/correction in service/equipment as may be pointed out by the TRAI/DoT; c) fails to comply with FDI norms; d) goes into liquidation or is ordered to be wound up; <p>(ii) for non-compliance of any or all terms and conditions of the licence.</p> <p>Provided that the order terminating the Licence shall take effect only on expiry of 60 calendar days from the date of issue of such order.</p>	<p>Para 9.2 (ii) and proviso below that are not part of the existing licensing framework. It is felt that this may not be added now.</p>

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<p>9.3 Licensee may surrender the Licence, by giving notice of at least 60 Calendar days in advance. Unless the surrender notice is rejected by TRAI within 30 days of the date of receipt of the notice, the effective date of surrender of Licence will be 61st Calendar day counted from the date of receipt of such notice by TRAI.</p>	<p>9.3 This clause is different than the existing provision of clause 10.3 of the UAS Licence. We may modify it accordingly.</p>																		
<p>10. Penalty</p> <p>10.1 TRAI may impose financial penalty (as detailed below) based, for each violation of the terms and conditions of licence agreement:</p> <table border="1" data-bbox="356 711 1389 1163"> <thead> <tr> <th data-bbox="356 711 588 812">No. of times</th> <th data-bbox="588 711 999 812">Minor violation</th> <th data-bbox="999 711 1389 812">Major violation</th> </tr> </thead> <tbody> <tr> <td data-bbox="356 812 588 868">1st</td> <td data-bbox="588 812 999 868">1 lakh</td> <td data-bbox="999 812 1389 868">10 lakh</td> </tr> <tr> <td data-bbox="356 868 588 925">2nd</td> <td data-bbox="588 868 999 925">5 lakh</td> <td data-bbox="999 868 1389 925">50 lakh</td> </tr> <tr> <td data-bbox="356 925 588 981">3rd</td> <td data-bbox="588 925 999 981">25 lakh</td> <td data-bbox="999 925 1389 981">2.5 crore</td> </tr> <tr> <td data-bbox="356 981 588 1038">4th</td> <td data-bbox="588 981 999 1038">25lakh</td> <td data-bbox="999 981 1389 1038">5 crore</td> </tr> <tr> <td data-bbox="356 1038 588 1163">5th and subsequent violations</td> <td data-bbox="588 1038 999 1163">25 lakh</td> <td data-bbox="999 1038 1389 1163">10 crore</td> </tr> </tbody> </table> <p>10.2 Before deciding the imposition any penalty, proper opportunity will be</p>	No. of times	Minor violation	Major violation	1st	1 lakh	10 lakh	2nd	5 lakh	50 lakh	3rd	25 lakh	2.5 crore	4th	25lakh	5 crore	5 th and subsequent violations	25 lakh	10 crore	<p>It is noted that the penalty has been reduced from Rs 50 Crs to a maximum of 10 Crs and categorisation of major and minor violation as guiding principle has been provided.</p> <p>Under the UAS licence penalty for subscriber verification violations is imposed on monthly basis. In such cases applicability of first to fifth violation may not apply.</p> <p>In para 10.4(ii) has an element of subjectivity with respect to heavy revenue loss.</p> <p>Similarly under para 10.4(iii) it has been recommended to impose penalty outside the framework of the T&C of the licence. This appears to be non-implementable and legally untenable.</p> <p>Further the limit of penalty in the existing licences has been defined separately in different licences and are much lower in amount than the amount proposed.</p>
No. of times	Minor violation	Major violation																	
1st	1 lakh	10 lakh																	
2nd	5 lakh	50 lakh																	
3rd	25 lakh	2.5 crore																	
4th	25lakh	5 crore																	
5 th and subsequent violations	25 lakh	10 crore																	

TRAI's Recommendations	DoT's comments
<p>given to Licensee to present its case.</p> <p>10.3 For categorising a violation as minor or major, the guiding principles shall be</p> <ul style="list-style-type: none"> • Whether the violation is committed deliberately or inadvertently; • Whether the violation is committed repeated violations; • Whether the licensee is prompt in taking corrective action; • The amount of loss to the exchequer; • What kind of benefits were derived by licensee due to the violation; • Whether the violation was restricted in a service area or was across a number of service areas; • Whether the violation / breach carried out in its network by a third party beyond the control of the operator; • Whether the violation has an impact on the end-user(s) and /or other licensee(s) business. <p>10.4 Notwithstanding the above, the following violations be always be categorised as major violations;</p>	<p>As a result the limit of penalty has come down drastically for large network operators, while at the same time for licensees opting for services like ISP/NLD/ILD etc, it has gone up.</p> <p>It is also noted that penalty of 1st major violation is much less than 5th minor violation. Also 1st serious violation with could have large implications has not been addressed in the proposed scheme.</p> <p>DoT is also looking into criterion for imposition of penalty separately. Penalty imposition principles given by TRAI may be kept in view while finalising the criterion by DoT.</p> <p>Penalty should be SA wise. EMF & CAF penalties and any other similar penalties, if any, shall continue to be decided separately by DoT from time to time.</p> <p>TRAI is requested to reconsider in view of the above.</p>

TRAI's Recommendations	DoT's comments
<ul style="list-style-type: none"> i Violation resulting in threat to the security of nation, ii Violation resulting in heavy revenue losses to the Government. iii Wilful and illegal conduct of the Licensee outside the framework of terms and Conditions of the Licence. 	
<p><u>Financial Conditions</u></p> <p>11. Fees payable</p> <p>11.1 Entry Fee – One time non refundable Entry Fee as detailed in Clause 4 of these guidelines.</p> <p>11.2 Licence Fee – An annual Licence Fee as a percentage of Adjusted Gross Revenue (AGR) shall be applicable. From the second year of the effective date of the Unified Licence, this Licence Fee shall be subject to minimum of 10% of the Entry Fee paid.</p>	<p>11.1 The comments already noted above may be seen</p> <p>11.2 It is not clear whether for the national level licence AGR is composite AGR for all service areas.</p> <p>It is noted that due to allocation of resources like spectrum, numbering etc on service area basis and also due to the fact that National and service areas licence will coexist, the AGR should be on service area basis as per the requirement of UASL.</p> <p>It is also necessary to mention Licence fee as a percentage of AGR with component of USOF contribution. It is presumed that</p>

TRAI's Recommendations	DoT's comments
<p>11.3 The Fee/royalty payable towards Wireless Planning and Coordination Wing (WPC): In the event of a Unified Licensee being given spectrum, WPC Charges shall be payable at such time and in such manner as the WPC Wing of the DoT may prescribe from time to time.</p>	<p>Uniform Licence fee would be applicable, including USOF levy as may be prescribed by Licensor from time to time.</p> <p>11.3 The title may be read as under: “The Fee/royalty/Spectrum Usage Charge payable towards Wireless Planning and Coordination Wing (WPC):”</p>
<p>12. Bank Guarantee 12.1 Each holder of a Unified Licence shall be required to submit a Financial bank Guarantee (FBG). The FBG shall be equivalent to the Licence Fee payable for two quarters. The minimum annual Licence Fee is 10% of the entry fee. Therefore, for new entrants, initially FBG shall be for an amount of Rs. 75 (Seventy Five) lakh for National level Unified Licence, Rs. 5 (Five) lakh for each Service area level Unified Licence except J&K and North East Service area where the initial FBG will be 2.5 lakh each and Rs. 50,000 (Fifty thousand) for each District level Unified Licence. The amount of FBG shall be reviewed on six monthly basis by TRAI and subsequently, the amount of FBG shall be equivalent to the estimated</p>	<p>12.1 In the present licensing regime, PBG is not linked to roll-out alone. Therefore PBGs are required to be prescribed. Further the FBG shall be equivalent to the LF payable for two quarters and any other dues .</p> <p>The amounts PBG may be recommended by TRAI. However, Presently amount of FBG is 50/ 25/ 5 crores for A/B/C service areas, which comes to 630 crores for all 22 SAs. Similarly PBG is 20/ 10/ 2 crores (clause 21 of UASL)</p>

TRAI's Recommendations	DoT's comments
<p>sum payable equivalent to Licence Fee for two quarters and other dues not otherwise securitized and any additional amount as deemed fit by the TRAI/DoT.</p>	
<p>13. Merger of Unified Licences 13.1 Merger of Unified Licences may be permitted as per guidelines issued by DoT from time to time.</p>	<p>13.1 Merger guidelines as applicable today are relevant for service area level licences. In the proposed UL regime there will be three categories of licences ,i.e., National, Service area and District level licences. It may be difficult to ensure level playing field if the competition is to be maintained separately under National and Service area licence. Such a situation may also not be desirable. Therefore it is for reconsideration that competition may be maintained at Service area level and amended guidelines may be suitably modified to cover National licence holders .</p> <p>For holding of licences and for the purpose of M&A, it is proposed that Substantial equity (holding of 10% or more) restriction may apply between the categories as mentioned below:</p>

TRAI's Recommendations	DoT's comments
	<p>UL-UL UL-CL UL-Licence through Authorisation CL-Licence through Authorisation</p> <p>TRAI recommendations are sought for M&A under UL regime vis-à-vis those existing licencees who may not migrate to UL</p> <p>Same may be reflected in eligibility conditions of respective licence guidelines also (e.g. UL/CL/DL)</p>
<p><u>General Conditions</u></p> <p>14. Change in the name of the Licensee Company shall be permitted in accordance with the provisions under the Indian Companies Act, 1956.</p> <p>15. The Licence shall be governed by the provision of Indian Telegraph Act, 1885, Indian Wireless Telegraphy Act, 1933 and Telecom Regulatory Authority of India Act, 1997 as modified or replaced from time to time.</p> <p>16. The Licensee shall comply with any order, direction, determination or regulation as may be issued by TRAI from time to time.</p>	<p>15. We may add the words "IT Act or any other relevant act" at the end of the paragraph.</p> <p>16. We may add the word "instructions" after "direction" and replace " TRAI" with "Licensor/TRAI".</p>

TRAI's Recommendations	DoT's comments
<p>17. The Licensee shall be responsible for, and is authorized to own, install, test and commission all the applicable systems for providing the services.</p> <p>18. The Licensee shall make its own arrangements for Right of Way (ROW).</p> <p>19. Licensee shall make its own arrangements for all infrastructure involved in providing the service and shall be solely responsible for installation, networking, operation and commissioning of necessary equipment and systems, treatment of subscriber complaints, issue of bills to its subscribers, collection of its component of revenue, attending to claims and damages arising out of his operations.</p> <p>20. The Licensee shall provide the details of the technology proposed to be deployed for operation of the service. The technology should be based on standards issued by ITU/TEC or any other International Standards Organization/ bodies/Industry. Unified Licensee is permitted to provide, service by utilizing any type of network equipment, including circuit and/or packet switches that meet the relevant International Telecommunication Union (ITU) /Telecommunication Engineering Center (TEC) / International standardization bodies such as 3GPP/3GPP-</p>	<p>17. Following may be added at the end of para "complying to the security requirements as prescribed from time to time under the respective licence agreement."</p> <p>19. For franchisee /agents existing provisions may be incorporated.</p> <p>20. We may add the word "etc" at the end of the para and delete "...bodies/industry" from the second line.</p>

TRAI's Recommendations	DoT's comments
<p>2/ETSI/IETF/ANSI/EIA/TIA/IS.</p> <p>21. In case of provision of bandwidth by the Licensee through the satellite media, the Licensee shall abide by the prevalent Government orders, directions or regulations on the subject like satellite communication policy, V-SAT policy etc.</p> <p>22. Sharing of active/passive infrastructure shall be as per the guidelines issued by TRAI from time to time.</p> <p>23. The Licensee shall adhere to the National Numbering plan, National Frequency Allocation Plan and any other plan issued by Department of Telecommunications and technical standard as prescribed by TRAI, from time to time.</p> <p>24. The Licensee providing access service, shall provide independently or</p>	<p>22. We may replace the word "TRAI" with "Licensor".</p> <p>23. The paragraph may be modified as below: "The Licensee shall adhere to the National Fundamental plans like National numbering plan, Signalling plan, Routing plan etc along with National Frequency Allocation Plan and any other plan issued by Department of Telecommunications and technical standard as prescribed by DoT, from time to time."</p> <p>24. The last sentence of the para may be modified as below: " While providing access to emergency</p>

TRAI's Recommendations	DoT's comments
<p>through mutually agreed commercial arrangements with other Service Providers, all public utility services including Toll Free services namely police, fire, ambulance or any other emergency number as may be specified by the DoT/TRAI from time to time. While providing emergency services such as police, fire, ambulance etc. it shall be ensured that such calls shall be delivered to the control room of the concerned authority for the area from where call is originated.</p>	<p>services / <i>emergency response services /services during disaster including police/Fire etc as defined from time to time, it shall be ensured that such calls shall be delivered to the designated control room, as prescribed from time to time, of the concerned authority.</i>"</p> <p>The licensee shall follow the standard operating procedures as may be prescribed for the disaster management /emergency response services.</p>
<p>25. Interconnection</p> <p>25.1 It shall be mandatory for the Unified Licensee to provide interconnection to all eligible Telecom Service Providers (eligibility shall be determined as per the service provider's Licence agreement and TRAI's determination/orders/regulations issued from time to time) to ensure that the calls are completed to all destinations. TRAI may intervene in the matter of interconnection between two service providers.</p> <p>25.2 The interconnection with a telecom service provider shall have to be withdrawn, in case of termination of the licence of the Telecom service provider, within one hour or within such time as directed by the TRAI in writing, after receiving intimation from the TRAI in this regard.</p>	<p>Interconnection issue under National Unified Licence scenario, co-existing with UL-restricted (SA) needs to be addressed with respect to the issues such as calculation of AGR, applicability of interconnect regulation on NLD etc.</p> <p>Further, certain specific provisions of respective licences may also be incorporated in the UL guidelines. Some of such provisions are listed in Annexure.</p>

TRAI's Recommendations	DoT's comments
<p>25.3 The terms and conditions of interconnection including, <i>inter alia</i>, standard interfaces, points of interconnection and technical aspects will be subject to compliance of prevailing regulations, directions and determinations issued by TRAI from time to time.</p> <p>25.4 The charges for accessing other networks for inter-network calls shall be based on mutual agreements between the service providers conforming to the Orders/Regulations/Guidelines issued by the TRAI from time to time.</p>	
<p>26. Quality of service</p> <p>26.1 The Licensee shall operate and maintain the licensed Network conforming to Quality of Service standards to be mutually agreed in respect of Network- Network Interface subject to such other directions as TRAI may give from time to time. Failure on part of Licensee or his franchisee to adhere to the Quality of Service stipulations by TRAI and network to network interface standards of TEC may be treated as breach of Licence terms.</p>	<p>26.1 This clause should be modified to retain the broad provisions of Para 28.1 of UASL as below:</p> <p>“The Licensee shall ensure the quality of service as prescribed by the Licensor or TRAI. The Licensee shall adhere to such QoS standard and provide timely information as required therein.”</p>
<p>27. Security Conditions</p> <p>27.1 The Licensee shall comply with the security conditions <i>inter alia</i> relating</p>	<p>27.1 The words “Subscriber verification” may be added after the words “ subscriber data” in the sixth line of the para.</p>

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TRAI's Recommendations	DoT's comments
<p>to inspection of the installation/establishments, audit of networks, security of the network, restriction on employment of foreign nationals, transfer of information outside the country, remote access, monitoring of networks, confidentiality of information relating to subscriber data and any other condition imposed by DoT/TRAI from time to time.</p>	
<p><u>B. Additional Guidelines for Spectrum assignment associated with Unified Licence</u></p> <p>28. The net worth requirement for those Unified Licensees who may apply for assignment of spectrum will be in addition to what is mentioned in Clause 2.3 above. The promoters of the Applicant Company shall have a combined net-worth of Rs. 100 crore/ Rs. 50 crore/ Rs. 30 crore for Category A, B and C Service areas respectively. The Applicant Company shall have a minimum paid up equity capital equal to one-tenth of net-worth prescribed above and shall submit a certificate to this effect (provided by the applicant's Company Secretary) while applying for the spectrum.</p> <p>29. Allocation of access spectrum will be made service area-wise. In the event a Licensee, or a single company/ legal person having substantial equity in the Licensee company, has substantial equity of more than 10%, directly or indirectly, in any other Licensee in the same service area, access</p>	<p>Following issues arises:</p> <ul style="list-style-type: none"> - Networth of promoters have not been indicated under UL (Condition 2.4); - Whether existing provisions of counting of Networth of only of those promoters having atleast 10% equity holding is to be maintained or not. - Whether networth requirements would be in three categories i.e. A/B/C. - Whether additional Networth is required in case of MW/ backbone/ satellite Spectrum/ PMRTS assignment also; - Networth requirement to be met before participation in Auction; - The additional Spectrum not defined; - Categorisation to be based on National level, service Area level and J&K/

TRAI's Recommendations	DoT's comments
<p>spectrum can be bid for, by only one of such Licensee. In the event one of such Licensee has already been allocated access spectrum, only such Licensee will be entitled to bid for the additional spectrum in that service area. In the event both the Licensees have been allocated access spectrum, only one of them will be entitled to bid for the access spectrum.</p> <p>Provided that this shall not be applicable to Licensees which were covered by the Note under Clause 1.4 of the UAS licence conditions.</p> <p>30. The Performance Bank Guarantee (PBG) and additional Financial Bank Guarantee (FBG) shall be as prescribed at the time of assignment of spectrum.</p> <p>31. The Fees, charges and royalties for the use of spectrum and also for possession of Wireless Telegraphy equipment shall be separately securitised by furnishing FBG of an amount equivalent to the estimated sum payable annually in the proforma given in licence agreement, to WPC, valid for a period of one year, renewable from time to time till final clearance of all such dues.</p> <p>32. The Renewal Fee discussed in Clause 8 above does not cover the value of</p>	<p>NE. Assam is not mentioned with N.E. by TRAI.</p> <p>Para 30. Following may be added: PBG & FBG shall be submitted before the assignment of spectrum.</p>

TRAI's Recommendations	DoT's comments
<p>spectrum, which shall be paid for separately.</p> <p>33. Unified Licensees who will be assigned spectrum, will be required to comply with roll out obligations as applicable, with attendant incentives and penalty as linked to allotment of that particular spectrum block as may be specified at the time of allotment of spectrum or as may be specified from time to time.</p> <p>34. The Licensee shall pay spectrum usage charges in addition to the Licence Fees on revenue share basis as notified separately from time to time by the WPC Wing. For the limited purpose of levying spectrum charges, only the revenue from the wireless services shall count towards AGR calculation. It will continue to be determined on service area basis, and shall be levied only in respect of those service areas, where the Licensee holds any access spectrum.</p> <p>35. For use of space segment and setting up of the Earth Station etc., the Licensee shall directly coordinate with and obtain clearance from Network Operations and Control Centre (NOCC) under DoT, apart from obtaining SACFA clearance. The clearance from other authorities as specified from time to time shall also be obtained by the Licensee.</p>	<p>33. There is provision of imposing Liquidated Damages (LD) for not meeting the roll-out prescribed under the present UAS regime. However no incentive/penalties are linked to meeting the roll-out obligations in UAS regime.</p> <p>Para 34.</p> <p>Presently for calculating SUC, the only deduction from AGR is wireline revenue and not as proposed by TRAI. It may adversely impact the revenue from SUC. To avoid this, existing definition of AGR may continue.</p> <p>TRAI is requested to reconsider recommendations 28 to 34 in view of the above.</p>

TRAI's Recommendations	DoT's comments
II. <u>Guidelines for Class Licence</u>	
1. Framework 1.1 Subject to fulfilment of relevant eligibility conditions, Class Licence shall be issued on non exclusive basis, without any restriction on the number of entrants in a licence area. 1.2 Class Licence will be issued only on National level basis.	<p>1. Definition of Class licence has not been provided. For consideration of any new service to be added in future, is felt necessary to define class licence so that categorisation of services is carried out in a transparent and reasonable manner. Only two services namely VSAT and INSAT-MSS reporting service have been designated to be part of Class licence as per para 5.2 of this chapter.</p> <p>Also, while giving recommendations on "Infrastructure policy" TRAI had recommended that IXPs shall also be licenced under Class Licence.</p> <p>Whether class licence as a policy should be national licence, may also be recommended by TRAI after class licence is defined.</p> <p>Further, in view of comments on UL, if the "Pay as you eat" concept requires consideration, whether in that situation, CL may be dispense with as these are incremental services being provided under CL.</p>

TRAI's Recommendations	DoT's comments															
<p>2. Eligibility Conditions</p> <p>2.1 The applicant must be an Indian Company, registered under the Indian Companies Act 1956.</p> <p>2.2 The Applicant Company shall have to be in compliance with the provisions applicable for existing Unified Access Service licence in the Consolidated FDI Policy 2011 issued by Department of Industrial Policy and Promotion and such modifications to the policy as may be issued from time to time. The relevant provisions are placed at Annexure-II.</p> <p>2.3 FDI shall be subject to laws of India and not the laws of the foreign country/countries.</p> <p>2.4 (a) The details of the equity holdings in the Applicant Company should be disclosed by the company as follows:</p> <table border="1" data-bbox="400 1056 1274 1306"> <thead> <tr> <th>Sl. No.</th> <th>Name of Promoter/Partner</th> <th>Indian/ Foreign</th> <th>Equity %</th> <th>Net Worth</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2.</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Sl. No.	Name of Promoter/Partner	Indian/ Foreign	Equity %	Net Worth	1.					2.					<p>2.2 to 2.3 As amended in the comments given in para 2.2 to 2.3 of Chapter I above for UL.</p> <p>2.4(a) & (b) Any amendment required in the table, may be incorporated while finalising the application form.</p> <p>However, networth column may not be required.</p>
Sl. No.	Name of Promoter/Partner	Indian/ Foreign	Equity %	Net Worth												
1.																
2.																

TRAI's Recommendations					DoT's comments																				
3.																									
<p>(b) Details of equity holding of the Promoter/Partner Indian Companies of the Applicant Company should be disclosed by the applicant company, as follows:</p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Name of Promoter/Partner</th> <th>Indian/ Foreign</th> <th>Equity %</th> <th>Net Worth</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2.</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3.</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Sl. No.	Name of Promoter/Partner	Indian/ Foreign	Equity %	Net Worth	1.					2.					3.					
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1.																									
2.																									
3.																									
<p>3. Application Procedure</p> <p>3.1 The Applicant Company shall pay a non refundable processing fee of Rs. 25,000 (Rs. Twenty Five Thousand) for Class Licence.</p> <p>3.2 The Applicant Company shall submit the application in duplicate in the prescribed Application form.</p> <p>3.3 Incomplete application is liable to be rejected and the processing fee will</p>					<p>Since there is no Cap on the number of licences which can be issued and for certain services, backhaul spectrum may be required. there will be a need to define a method of receiving and processing applications so that the principle of Natural Justice is followed.</p> <p>It has been recommended that incomplete applications is liable to be rejected . In normal course some minor discrepancies may be there in the applications filed. There may be a need to give some time to applicant to correct the mistakes etc.</p>																				

TRAI's Recommendations	DoT's comments
<p>not be refunded.</p> <p>3.4 The application shall ordinarily be decided, within 60 days of the submission of the application and the applicant company shall be informed accordingly.</p> <p>3.5 TRAI reserves the right to accept or reject any application without assigning any reasons.</p> <p>3.6 In case the applicant is found to be eligible for grant of Class Licence, a Letter of Intent (LOI) will be issued. The applicant shall be required to deposit Entry Fee and submit Bank Guarantees / other documents and sign the licence agreement within a period as mentioned in the letter(LOI) from the date of issue of the letter (LOI) failing which the offer of grant of licence shall stand withdrawn at the expiry of permitted period.</p> <p>3.7 The Applicant Company will be required to pay one time non-refundable Entry Fee before signing the license agreement, based on Letter of Intent (LoI).</p>	<p>In para 3.5 the word TRAI may be replaced by DoT</p> <p>Detailed procedure may be worked out in consultation with TRAI.</p>

TRAI's Recommendations	DoT's comments
<p>4. Entry Fee</p> <p>4.1 One time non refundable Entry Fee for each category of Class Licence shall be Rs. 30 (Thirty) lakh.</p>	
<p>5. Scope of the Licence</p> <p>5.1. Class Licence will be technology neutral and is granted to provide designated service on a non-exclusive basis.</p> <p>5.2. VSAT service and INSAT-MSS Reporting Service will be covered under Class Licence. However, TRAI reserves the right to include any other service under Class Licence on recommendations of TRAI.</p> <p>(Note – The definitions of various services mentioned above are as given in Annexure III)</p>	<p>5.1 For declaring Class licence as technology neutral, it is desirable that the definition of class licence may be finalised first as mentioned in the comments given above.</p> <p>5.2 VSAT service may be mentioned as Commercial VSAT service as licences are also given to captive CUG users for operating VSAT networks.</p> <p>Any licence or permission to be given by the Licensor for Captive networks may be kept beyond the scope of Unified licensing regime as these are not public networks. The present arrangements for such licences may continue.</p> <p>TRAI had earlier recommended to include PMRTS services under Class Licence (May 2010), which has now been recommended to be under category of “Licence through Authorisation” which is on fixed licence fee basis. Para 6 of Chapter –III may also be seen.</p>

TRAI's Recommendations	DoT's comments
	In second sentence, the word "TRAI" may be replaced by "Licensor".
<p>6. Ownership of Licensee Company</p> <p>6.1 The Licensee shall ensure that all the conditions mentioned in Clause 2 (eligibility conditions) are maintained during the currency of the Unified Licence.</p> <p>6.2 The Licensee shall declare the Indian & Foreign equity holdings (both direct and in-direct) in the Licensee company and submit a compliance report regarding compliance of FDI norms and security conditions on 1st day of January and 1st day of July to TRAI. This is to be certified by the Company Secretary or Statutory Auditor of the Licensee Company.</p>	<p>6.1 The word "Unified" may be replaced by "Class" in the last line.</p> <p>6.2 At the end of first sentence , the word "TRAI" may be replaced by "DoT".In the second sentence , After the words statutory auditors, "countersigned by duly authorised director" may be added.</p>
<p>7. Duration of Licence</p> <p>7.1 The validity period of a Class Licence will be for a period of 20 years.</p>	
<p>8. Renewal of Licence</p> <p>8.1 Renewal – TRAI may renew, if deemed expedient, the period of Class Licence by a period of 10 years at one time upon the request of the</p>	

TRAI's Recommendations	DoT's comments
<p>Licensee on terms mutually agreed. The decision of TRAI shall be final in regard to renewal of licence.</p> <p>8.2 On renewal, Class Licensee will be required to pay a Renewal Fee which will be as notified by TRAI from time to time.</p>	<p>8.2 The word "TRAI " may be replaced with "Licensor".</p>
<p>9. Suspension/revocation/termination/Surrender of Licence</p> <p>9.1 TRAI reserves the right to suspend the operation of this Licence in whole or in part, at any time, if, in the opinion of TRAI, it is necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of the Telegraph.</p> <p>Provided that TRAI may, if the situation so warrants, dispense with the issue of notice prior to such suspension. The decision of TRAI in this regard shall be final and binding.</p> <p>9.2 TRAI may, without prejudice to any other remedy available for the breach of any conditions of licence, by a written notice of 60 Calendar days from the date of issue of such notice to the licensee at its registered office, terminate this licence under any of the following</p>	<p>9.1 to 9.3 may be amended after reconsideration by TRAI based on comments given against para 9.1 to 9.3 in respect of UL in chapter I.</p>

TRAI's Recommendations	DoT's comments
<p>circumstances:</p> <p>(i) If the LICENSEE:</p> <ul style="list-style-type: none"> a) fails to perform any obligation(s) under the licence including timely payments of fee and other charges due to the Government; b) fails to rectify, within the time prescribed, any defect/deficiency/correction in service/equipment as may be pointed out by the TRAI/DoT; c) fails to comply with FDI norms; d) goes into liquidation or is ordered to be wound up; <p>(ii) on recommendation by TRAI for termination of licence for non-compliance of any or all terms and conditions of the licence.</p> <p>Provided that the order terminating the Licence shall take effect only on expiry of 60 calendar days from the date of issue of such order.</p> <p>9.3 Licensee may surrender the Licence, by giving notice of at least 60</p>	

TRAI's Recommendations	DoT's comments																		
<p>Calendar days in advance. Unless the surrender notice is rejected by TRAI within 30 days of the date of receipt of the notice, the effective date of surrender of Licence will be 61st Calendar day counted from the date of receipt of such notice by TRAI.</p>																			
<p>10. Penalty</p> <p>10.1 TRAI may impose financial penalty, for violation of terms and conditions of licence agreement.</p> <table border="1" data-bbox="340 757 1373 1204"> <thead> <tr> <th data-bbox="340 757 572 848">No. of times</th> <th data-bbox="572 757 984 848">Minor violation</th> <th data-bbox="984 757 1373 848">Major violation</th> </tr> </thead> <tbody> <tr> <td data-bbox="340 848 572 906">1st</td> <td data-bbox="572 848 984 906">1 lakh</td> <td data-bbox="984 848 1373 906">10 lakh</td> </tr> <tr> <td data-bbox="340 906 572 964">2nd</td> <td data-bbox="572 906 984 964">5 lakh</td> <td data-bbox="984 906 1373 964">50 lakh</td> </tr> <tr> <td data-bbox="340 964 572 1022">3rd</td> <td data-bbox="572 964 984 1022">25 lakh</td> <td data-bbox="984 964 1373 1022">2.5 crore</td> </tr> <tr> <td data-bbox="340 1022 572 1080">4th</td> <td data-bbox="572 1022 984 1080">25lakh</td> <td data-bbox="984 1022 1373 1080">5 crore</td> </tr> <tr> <td data-bbox="340 1080 572 1204">5th and subsequent violations</td> <td data-bbox="572 1080 984 1204">25 lakh</td> <td data-bbox="984 1080 1373 1204">10 crore</td> </tr> </tbody> </table> <p>10.2 Before deciding the imposition any penalty, proper opportunity will be given to licensee to present its case.</p>	No. of times	Minor violation	Major violation	1st	1 lakh	10 lakh	2nd	5 lakh	50 lakh	3rd	25 lakh	2.5 crore	4th	25lakh	5 crore	5 th and subsequent violations	25 lakh	10 crore	<p>The proposed penalty structure is same as the structure proposed by TRAI for UL and doesn't appear to be commensurate with the gravity of violation and the type of services to be provided under Unified Licence and under the class licence. However, there is no provision for penalty in VSAT and INSAT MSSR licences.</p> <p>In para 10.3, a segregation has apparently been made between National Service area of the class licence and Circle based area. Clarity is required about the actual imposition of penalty as per the proposed provision.</p> <p>Other comments same as in chapter –I for UL.</p> <p>TRAI may give their reconsidered recommendation.</p>
No. of times	Minor violation	Major violation																	
1st	1 lakh	10 lakh																	
2nd	5 lakh	50 lakh																	
3rd	25 lakh	2.5 crore																	
4th	25lakh	5 crore																	
5 th and subsequent violations	25 lakh	10 crore																	

TRAI's Recommendations	DoT's comments
<p>10.3 For categorising a violation as minor or major, the guiding principles shall be</p> <ul style="list-style-type: none"> • Whether the violation is committed deliberately or inadvertently; • Whether the violation is committed repeated violations; • Whether the licensee is prompt in taking corrective action; • The amount of loss to the exchequer; • What kind of benefits were derived by licensee due to the violation; • Whether the violation was restricted in a service area or was across a number of service areas; • Whether the violation / breach carried out in its network by a third party beyond the control of the operator; • Whether the violation has an impact on the end-user(s) and /or other licensee(s) business. <p>10.4 Notwithstanding the above, the following violations be always be categorised as major violations;</p> <ul style="list-style-type: none"> i Violation resulting in threat to the security of nation, ii Violation resulting in heavy revenue losses to the Government 	

TRAI's Recommendations	DoT's comments
<p>iii Wilful and illegal conduct of the Licensee outside the framework of terms and Conditions of the Licence.</p>	
<p><u>Financial Conditions</u></p> <p>11. Fees payable</p> <p>11.1 Entry Fee – One time non refundable Entry Fee as detailed in Clause 4.</p> <p>11.2 Licence Fee – An annual Licence Fee as a percentage of Adjusted Gross Revenue (AGR), as defined in the licence agreement shall be applicable. From the second year of the effective date of the Unified Licence, this Licence Fee shall be subject to minimum of 10% of the Entry fee paid.</p> <p>11.3 The Fee/royalty payable towards Wireless Planning and Coordination Wing (WPC): In the event of a Unified Licensee being given spectrum, WPC Charges shall be payable at such time and in such manner as the WPC Wing of the DoT may prescribe from time to time.</p>	<p>11.2-3 Same as amended para 11.2-3 of Chapter I of UL.</p>

TRAI's Recommendations	DoT's comments
<p>12. Bank Guarantee</p> <p>12.1 Each holder of a Unified Licence shall be required to submit a Financial bank Guarantee (FBG). The FBG shall be equivalent to the Licence Fee payable for two quarters. The minimum annual Licence Fee is 10% of the Entry Fee, therefore, for new entrants; initially FBG shall be for an amount of Rs. 1.5 lakh. The amount of FBG shall be reviewed on six monthly basis by TRAI and subsequently, the amount of FBG shall be equivalent to the estimated sum payable equivalent to Licence Fee for two quarters and other dues not otherwise securitized and any additional amount as deemed fit by the TRAI/DoT.</p>	<p>It is noted that financial Bank guarantee for VSAT licence is Rs 30Lakh while the PBG is Rs 50Lakh.</p> <p>There is no mention of PBG in this para of the recommendation.</p>
<p>13. Merger of Class Licences</p> <p>13.1 Merger of Class Licences may be permitted as per guidelines issued by DoT from time to time.</p>	<p>13.1 Currently there are no guidelines in respect of M &A , VSAT and INSAT MSSR and IXP Licences.</p> <p>TRAI may recommend such guidelines.</p>
<p><u>General Conditions</u></p> <p>14. Change in the name of the Licensee Company shall be permitted in</p>	

TRAI's Recommendations	DoT's comments
<p>accordance with the provisions under the Indian Companies Act, 1956.</p> <p>15. The Licence shall be governed by the provision of Indian Telegraph Act, 1885, Indian Wireless Telegraphy Act, 1933 and Telecom Regulatory Authority of India Act, 1997 as modified or replaced from time to time.</p> <p>16. The Licensee shall comply with any order, direction, determination or regulation as may be issued by TRAI from time to time.</p> <p>17. The Licensee shall be responsible for, and is authorized to own, install, test and commission all the Applicable system for providing the Services under this Licence agreement.</p> <p>18. The Licensee shall make its own arrangements for Right of Way (ROW).</p> <p>19. The Licensee shall make its own arrangements for all infrastructures involved in providing the service and shall be solely responsible for installation, networking, operation and commissioning of necessary equipment and systems, treatment of subscriber complaints, issue of bills to its subscribers, collection of its component of revenue, attending to claims and damages arising out of his operations.</p>	<p>15. May be amended in the same manner as per comments given in respect of Unified Licence.</p> <p>16. May be amended in the same manner as per comments given in respect of Unified Licence</p> <p>17. May be amended in the same manner as per comments given in respect of Unified Licence</p>

TRAI's Recommendations	DoT's comments
<p>20. The Licensee shall provide the details of the technology proposed to be deployed for operation of the service. The technology should be based on standards issued by ITU/TEC or any other International Standards Organization/ bodies/Industry. Class licensee is permitted to provide, service by utilizing any type of network equipment, including circuit and/or packet switches that meet the relevant International Telecommunication Union (ITU) /Telecommunication Engineering Center (TEC) / International standardization bodies such as 3GPP/3GPP-2/ETSI/IETF/ANSI/EIA/TIA/IS.</p> <p>21. In case of provision of bandwidth by the Licensee through the satellite media, the Licensee shall abide by the prevalent Government orders, directions or regulations on the subject like satellite communication policy, V-SAT policy etc.</p> <p>22. Sharing of active/passive infrastructure shall be as per the guidelines issued by TRAI from time to time.</p>	<p>20. May be amended in the same manner as per comments given in respect of Unified Licence</p> <p>22. Currently there are no guidelines for active/passive infrastructure sharing in respect of VSAT/MSS-R/IXP licences .The issues involved in such sharing are yet to examined in detail. Hence giving an indication of possibility of sharing infrastructure many not be appropriate at this stage.</p> <p>The word "TRAI" may be replaced by</p>

TRAI's Recommendations	DoT's comments
<p>23. The Licensee shall adhere to the National Numbering plan, National Frequency Allocation Plan and any other plan issued by Department of Telecommunications and technical standard as prescribed by TRAI, from time to time.</p>	<p>“Licensor”.</p> <p>23.No numbering resource allocation is envisaged. This para may be amended as below:</p> <p>“The Licensee shall adhere to the National Frequency Allocation Plan and any other plan and technical standard as prescribed by DoT. from time to time.”</p>
<p>24. Interconnection</p> <p>24.1 Eligibility for interconnection shall be determined as per the service provider’s Licence agreement and TRAI’s determination/orders/regulations issued from time to time. TRAI may intervene in the matter of interconnection between two service providers.</p> <p>24.2 The interconnection with a telecom service provider shall have to be withdrawn, in case of termination of the licence of the Telecom service provider, within one hour or within such time as directed by the TRAI in writing, after receiving intimation from the TRAI in this regard.</p> <p>24.3 The terms and conditions of interconnection including <i>inter alia</i></p>	



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<p>standard interfaces, points of interconnection and technical aspects will be as mutually agreed between the service providers, subject to compliance of prevailing regulations, directions and determinations issued by TRAI from time to time.</p> <p>24.4 Interconnections restrictions applicable for VSAT network with other networks:-</p> <ol style="list-style-type: none"> a. Interconnection with PSTN - Not permitted b. Network of other VSATs – Interconnection shall be permitted through the Hub on case to case basis, wherever the CUG nature of the network is not violated. c. Terrestrial data lines leased by customers of VSATs – Interconnection shall be permitted on case to case basis, wherever the CUG nature of the network is not violated. d. Terrestrial data lines of a public nature: - Interconnection shall be permitted through the Hub, provided it is connected to a public data network such as Internet/ INET. e. Overseas office of the CUG for data transfer purposes:- 	<p>24.4.(a) May be modified as below: “Interconnection with PSTN/PLMN /Internet Telephony Network is not permitted.”</p> <p>24.4(b) Currently interconnectivity of CUG networks on VSAT network with another CUG network is not permitted. TRAI may be requested to clarify the statement “Wherever CUG nature of the network is not violated”</p> <p>INET may be deleted as this network no longer exists.</p>

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<p>Interconnection shall be permitted on a case to case basis subject to the condition that the connection should be between the hub and the server of the overseas office through a leased line passing through an international gateway which can be monitored for security purposes.</p> <p>f. WAN Operators :- Interconnection shall be permitted on case to case basis, wherever the CUG nature of the network is not violated.</p> <p>g. Internet/INET :- The hub of VSAT Licensee shall be allowed to be connected to an internet node of his choice through a lease line taken from Telecom service provider who is authorised to sell bandwidth/ leased line. Similar inter-connection of the Hub with INET is also permitted.</p> <p>h. Other media to provide for redundancy :- Switchover between a terrestrial CUG network and a VSAT based CUG network belonging to the same licensee shall be permitted for redundancy purpose.</p>	



TRAI's Recommendations	DoT's comments
<p>i. Interconnection of CUGs :- Inter-connection between CUGs, where the CUG nature of the network is not violated, will be permitted on a case to case basis.</p>	
<p>25. Quality of service</p> <p>25.1 The Licensee shall operate and maintain the licensed Network conforming to Quality of Service standards to be mutually agreed in respect of Network- Network Interface subject to such other directions as TRAI may give from time to time. Failure on part of Licensee or his franchisee to adhere to the Quality of Service stipulations by TRAI and network to network interface standards of TEC may be treated as breach of Licence terms.</p>	<p>Before this para, a new para may be considered for insertion as below:</p> <p>“ While providing access to emergency services / <i>emergency response services /services during disaster including police/Fire</i> etc as defined from time to time, it shall be ensured that such calls shall be delivered to the designated control room, as prescribed from time to time, of the concerned authority.”</p> <p>The licensee shall follow the standard operating procedures as may be prescribed for the disaster management /emergency response services..</p>
<p>26. Security Conditions</p> <p>26.1 The Licensee shall comply with the security conditions relating to, <i>inter alia</i>, inspection of the installation/establishments, audit of networks, security of the network, restriction on employment of foreign nationals,</p>	

TRAI's Recommendations	DoT's comments
<p>transfer of information outside the country, remote access, monitoring of networks, confidentiality of information relating to subscriber data and any other condition imposed by the DoT/TRAI from time to time.</p>	
<p>III. <u>Licensing through Authorisation</u></p>	
<ol style="list-style-type: none"> 1. Subject to fulfilment of relevant eligibility conditions, Licence shall be issued on non exclusive basis, without any restriction on the number of licences. 2. The applicant must be an Indian company, registered under the Indian Companies Act 1956. 3. The Applicant Company shall pay a non refundable processing fee of Rs. 15,000 (Rs. Fifteen Thousand). 4. Complete application shall be decided, within 30 days of the submission of the application and the applicant company shall be informed accordingly. 	<p>Eligibility conditions for licence through authorization need to be prescribed. TRAI may provide eligibility criteria.</p> <p>Amended para-4 may be as below: “Application shall ordinarily be decided within 30 days of the submission of the completed application and the applicant company shall be informed accordingly. “TRAI” may be replaced by DoT.</p>

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<p>5. TRAI reserves the right to accept or reject any application without assigning any reasons.</p> <p>6. The Licence will be service and technology neutral. Licensee shall be permitted to offer Voice Mail Service, Audiotex, Videotex, Unified Messaging Service and other value added services within its licence area using the network of Unified Licensee on mutually agreed terms and conditions. The Licensee shall be permitted to install dark fibers, duct space and towers, subject to the condition that these shall not be used for activities relating to commercial telecom services. The operation and tariff for the traffic passed through Unified Licensee network resources shall be as per the prevailing rules and regulations of TRAI.</p>	<p>6. The services covered under authorization are expected to be of different type than envisaged under UL or CL requiring individual licenses. It may also be possible that each service type has its own technological deployment. Therefore, the words "service and technological neutral" may not be required. Licence area may also be specified by TRAI.</p> <p>Definition of Value Added Services to be covered under authorization is requested from TRAI.</p> <p>The meaning of "commercial telecom services" is not clear.</p> <p>The word "TRAI" at the end of the para may be replaced by TRAI/DoT.</p> <p>In chapter -I of recommendations, TRAI has indicated PMRTS licence under this category. However, in this para PMRTS is not included. It is assumed to be part of this para as it is not specified elsewhere.</p> <p>Any new captive requirement may be covered under provisions of para 314 of Vol -XII of P&T manual.</p>

TRAI's Recommendations	DoT's comments
<p>7. Licensee shall be required to pay an annual Licence Fee of Rs. 10,000 (Rs. Ten Thousand Only).</p>	<p>7. While a Unified Licensee offering PMRTS will be charged licence fee on the basis of AGR, the fee for PMRTS under authorization category remains fixed. Presently, PMRTS licence fee is on % of AGR basis.</p> <p>Two different dispensations for licence fee for same service is likely to create arbitrage.</p>
<p>8. The Licensee shall make available, on demand, to the person authorised by the TRAI/DoT, full access to their equipments/network for technical scrutiny and for inspection, which can be visual inspection or an operational inspection.</p>	<p>8-10 "TRAI" may be replaced by "Licensor".</p>
<p>9. As and when required, the Licensee shall provide access of their systems to the security agencies for monitoring purpose. The Licensee shall be required to maintain call data records of all the specified calls handled by the system and system log at specified periodicity. TRAI reserves the right to call for these system logs on demand and also inspect them at site.</p>	
<p>10. TRAI reserves the right to revoke/terminate/suspend the Licence in whole or in part, at any time, if, in the opinion of the TRAI, it is</p>	



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<p>necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of the Telegraph.</p> <p>11. Licensee may surrender the Licence, by giving notice of at least 30 Calendar days in advance.</p> <p>12. The Licence shall be governed by the provision of Indian Telegraph Act, 1885, Indian Wireless Telegraphy Act, 1933 and Telecom Regulatory Authority of India Act, 1997 as modified or replaced from time to time.</p> <p>13. The Licensee shall furnish to TRAI, on demand, in the manner and as per the time frame such documents, accounts, estimates, returns, reports or other information in accordance with the rules/ orders as may be prescribed from time to time. The Licensee shall also submit information to TRAI as per any order or direction or regulation issued from time to time under the provisions of TRAI Act, 1997 or an amended or modified statute.</p> <p>14. The Licensee shall comply with any order, direction, determination or regulation as may be issued by TRAI from time to time.</p>	<p>12.-13. "TRAI" in this paragraph wherever used may be replaced by "Licensor". Accordingly, "TRAI Act 1997 or an amended or modified statute" may be replaced by "relevant laws"</p> <p>14. We may add the word "Instructions" after "determination". "TRAI" may be replaced by "TRAI/Licensor".</p>

TRAI's Recommendations	DoT's comments
<p>IV. <u>Migration of Existing Licence to Unified Licence</u></p>	
<ol style="list-style-type: none"> 1. On coming into force of the Unified Licence, all the existing licences issued under Section 4 of the Indian Telegraph Act 1885 shall stand automatically converted to the Unified Licence. This will be the Unified Licence (restricted). Necessary amendments shall be made by TRAI under intimation to the Licensee. 2. On conversion, the validity of the Unified Licence (restricted) shall be same as the validity of existing licence. 3. The conditions of Unified Licence (restricted) shall be the same as existing licence. 4. The services under such a licence will be restricted to the service(s) that the Licensee could offer and to the service area(s) permitted under the existing licence. In case an existing licensee after conversion to Unified Licence (restricted) wishes to provide services permitted within the scope of service under Unified Licence but which are not covered under its old licence, then it will have to apply for Unified Licence. 	<p>It is presumed that for each of the category of licenses the name will be changed to Unified License (Restricted) suffixed with the name of the current license. As an example USAL may be called UL (Restricted)-UASL.</p> <p>Uniform licence fee has been proposed to be implemented in two steps. On migration, in the first year of ULF, it needs to be clarified whether the licence fee shall be the ULF proposed in the first year or as applicable in UL regime.</p>

TRAI's Recommendations	DoT's comments
<p>5. For conversion to the Unified Licence (restricted), there shall be no additional entry fee to be paid by the licensee.</p> <p>6. A holder of Unified Licence (restricted) shall have the option to apply for and migrate to a Unified Licence.</p> <p>7. In the event a holder of Unified Licence (restricted) desires to expand/alter the service(s) offered or service area(s) of operations, it shall be required to migrate to Unified Licence and pay the prescribed entry fee.</p> <p><i>Illustration:</i> A company 'A' has All-India licence for NLD and ILD, ISP (Category B) and CMTS/UAS Licences for service areas 2 & 3 as given in the Table below. After coming into force of Unified Licence framework, these licences shall get converted to Unified Licences (restricted) i.e. the scope of service of each new Unified Licence will continue to be the same as the existing licence. However, if the Company wishes to provide any other service permitted under Unified Licence, say ISP on all India basis or access services in LSAs other than service areas 2&3, then it will have to apply for migration to National level Unified Licence and will also have to pay the prescribed entry fee and fulfil all eligibility conditions as given in the Guidelines for Unified Licence.</p>	

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Unified Licences (restricted) – 6 licences

Licence	All India	LSA-1	LSA-2	LSA-3	LSA-21	LSA-22
CMTS/UASL			✓	✓			
NLD	✓						
ILD	✓						
ISP			✓	✓			

After migration to Unified Licence – 1 Unified Licence

Licence	All India
CMTS/UASL	✓
NLD	✓
ILD	✓
ISP	✓
All other Services defined in the scope of Unified Licence.	✓

8. In respect of 6 and 7 above, the Entry Fee already paid, in case of NLD/ILD/UAS /CMTS licence only, will be adjusted on *pro rata* basis for

8. It is noted that rebate for 10 years license period is equal to entry fee for obtaining a 20 year service area license. While as per para 9 on migration to UL

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the balance validity period of the existing Licence as per formula given in the table below. However, in cases where the Entry Fee already paid exceeds the Entry Fee to be paid now for migrating to Unified Licence, there will be no refund of the Entry Fee.

Type of Existing Licence	Migration to	Rebate
ILD/NLD	National level	Rs 12.5 lakh x No of years remaining for existing NLD/ILD Licence validity.
UASL/ CMTS	Service area level	Rs 10 lakh, 5 lakh and 2.5 lakh for Metro/Cat A, Cat B and Cat C service areas respectively x No of years remaining for existing UASL/CMTS Licence validity.
UASL /CMTS in various service area	National level	Rs 10 lakh, 5 lakh and 2.5 lakh for Metro/Cat A, Cat B and Cat C service areas respectively x No of years remaining for existing UASL/CMTS Licence validity subject to maximum limit of Rs. 15 crore.

9. On migration to the Unified Licence, the validity of the licence shall be 20 years.
10. On expiry of the validity of the Unified Licence (restricted), the licensee

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the validity of license is proposed to be 20 years.

For the sake of simplicity and proper regulation of license periods, one of the option is to keep the original licence period unchanged on migration as in UL(Restricted). It will also help in Refarming the spectrum at the time of renewal as Refarming is linked to renewal of license.

Further, looking at the migration of CMTS licensees to UASL regime, even after 10 years, both types of licences continue to exist today for various reasons.

It needs to be kept in view that the exercise of changing the names of the licensees without migration to UL regime may further add to confusion and some of the UL restricted may continue for next 20 years. (e.g. UL-Restricted-ISP)

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<p>shall be required to take a Unified Licence.</p> <p>11. IP-I shall be covered under Unified Licence. The existing IP-I providers would be required to take the Unified Licence as soon as the same comes into being and the conditions in the Unified Licence will apply to IP-I provider too. IP-I shall have to pay the prescribed entry fee to take the Unified Licence. Only those IP-I companies who either wants to provide telecom services themselves or are in the business of selling/leasing/renting their passive/active infrastructure to other telecom licensees would be required to take the Unified Licence. IP-I companies, who are not engaged in activities relating to commercial telecom services, would be required to take 'Licence through Authorisation'.</p> <p>12. In the event a holder of Unified Licence (restricted), having spectrum, obtains a Unified Licence, it will continue to retain the spectrum assigned for the remaining validity period of the existing Licence. In case of 3G /BWA spectrum holders, the spectrum assigned will be retained for the period for which the spectrum blocks have been assigned. In both the above cases, the Unified Licensees shall be allowed to provide all services permitted under the Unified Licence, without however changing the</p>	<p>11. Two types of IP-I companies have been indicated. The second type indicated in the last sentence of the para indicates that there will be IP-I companies who do not provide commercial telecom services. The commercial telecom services needs clarification along with the scope of category suggested.</p> <p>Further, the decision of the Govt. conveyed through press release dt. 15-2-12 may also be kept in view.</p> <p>Comments in para 1 of UL guidelines may also be seen regarding IP-I.</p> <p>TRAI may therefore requested to examine the desirability of migration of IP-I to UL regime.</p> <p>12. We may add the following sentence after ".....channel plan of the allocated spectrum"</p> <p>"Upon completion of remaining period of existing license, spectrum shall be assigned based on the prevailing guidelines regarding spectrum allocation /refarming of spectrum."</p> <p>TRAI may further clarify about making</p>

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<p>channel plan of the allocated spectrum. The Licensee holding access spectrum shall be required to maintain the net-worth and paid up equity as per existing licence, in case these are higher than the amount prescribed in the Unified Licensing Regime.</p> <p>Roll out obligations, if any, linked with the existing service providers shall remain applicable even after migration to Unified Licence Regime and shall be subject to changes/modifications from time to time.</p> <p>New para:</p>	<p>process for liberalisation of the spectrum won through auction for 3G and BWA.</p> <p>Further BWA spectrum has been assigned to ISPs and UASL operators where the scope of licences is different.</p> <p>Whether the scope of services to be provided by such ISP and UASL who bid for the spectrum under the relevant provisions of NIA/ conditions of respective Licences, on migration to UL, would be limited to their original scope or it would become uniform under proposed UL guidelines.</p> <p>Migration from a particular licence to UL is a specific activity. TRAI may examine whether separate guidelines for migration from respective licence would be required.</p>
<p>Chapter V: <u>Migration of Existing Licence to Class Licence</u></p>	
<p>1. On coming into force of the Class Licence, all the existing licences issued, under Section 4 of the Indian Telegraph Act 1885, issued for VSAT and</p>	<p>We may add the word "commercial" before the word V-SAT.</p>

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<p>INSAT-MSS shall stand automatically converted to the Class Licence. This will be the Class Licence (restricted). Necessary amendments shall be made by TRAI under intimation to the Licensee.</p>	<p>"TRAI" be replaced by "Licensor".</p>
<p>2. An existing Licensee, on migration to a Class Licence (restricted), will continue to be governed by the same conditions and the validity period as per the existing licence. It shall also be entitled to retain the spectrum assigned, if any, for the validity period of the existing Licence.</p>	<p>The observations here are same as against para-9 of Chapter –IV regarding validity of license after migration to Class license.</p>
<p>3. The holder of a Class Licence (restricted) shall be entitled to migrate to a Class Licence or a Unified Licence.</p>	
<p>4. On migration, the existing licensee will be required to pay Entry Fee as prescribed for the Class Licence or Unified Licence. Entry Fee paid earlier will be adjusted on <i>pro rata</i> basis for the balance validity period of the existing Licences as per formula given in table below. However, in cases where the Entry Fee already paid exceeds the Entry Fee to be paid now for migrating to Class Licence or Unified Licence, there will be no refund of the Entry Fee.</p>	

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	Type of Existing Licence	Rebate	
	VSAT	Rs 1.5 lakh x No of years remaining for existing Licence validity	
5. On migration to the Class Licence, the validity of the licence shall be 20 years.			
6. Roll out obligations, if any, linked with the existing service providers shall remain applicable even after migration to Class Licence and shall be subject to changes/modifications from time to time.			

Guidelines may also include some conditions which are indicative of important conditions of Licence as is the case with existing guidelines for UASL and other services.

TRAI is requested to provide their views/reconsidered recommendations wherever certain observations/comments of DoT are indicated against the TRAI recommendations.

Accordingly these recommendations are referred back to TRAI for reconsideration.

UL Guidelines- Specific Points to be incorporated in respect of NLD / ILD / GMPCS Services

GMPCS

1. Processing-fee of Rs 5 lakh (non-refundable) is being taken with Application owing to different procedure of processing as detailed below. (needs to be examined)
2. The Government announced the detailed guidelines on 1st November, 2001 to introduce GMPCS service (satellite Telephone Service) in the country on non-exclusive basis subject to the clearance of specific proposal from security angle by an Inter-Ministerial Committee consisting of Secretaries from Ministry of Home Affairs, Ministry of Defence, Deptt. of Space, Deptt. of Telecommunication, Cabinet Secretariat(R) and Director, IB
3. One of the mandatory conditions of the GMPCS license agreement is regarding setting up of Land Earth Station (Gateway) in India. The location of GMPCS gateway (land based satellite link station) outside India is not permitted in the licence agreement in view of the following reasons:
 - (i) Possibility of monitoring of calls outside country by unauthorised agencies.
 - (ii) Non-availability of monitoring of calls in India by security agencies.
4. Delivery of Service : The LICENSEE shall commission the Applicable Systems within one year from the effective date of the license.
5. Specific Security Conditions apply to GMPCS that need to be separately mentioned.(reference clause 41 of the GMPCS license).



NLD License

1. Inter-Circle traffic from one licensed service area to another shall be routed through National Long Distance network.
2. The inter-circle traffic shall be handed over / taken over to NLD network at the POP situated at the location of NLD TAX in the licensed service area.

ILD License

1. For providing International Long Distance service, the licensee shall establish at least one Gateway Switch alongwith requisite security monitoring equipment within the prescribed period.
2. The Gateway station shall be set up only after getting the permission or clearance from the Licensor. This is a time consuming process and can take more than a month subject to submission of required information in complete form.
3. The Licensee shall follow the prescribed routing and numbering plan and the international traffic shall be routed through the NLD and ILD network.

