

Information note to the Press (Press Release No. 17/2017)

For Immediate Release

Telecom Regulatory Authority of India

TRAI releases Recommendations on “Spectrum Usage Charges and Presumptive Adjusted Gross Revenue for Internet Service Providers and Commercial Very Small Aperture Terminal Service Providers”

New Delhi, 7th March, 2017 – The Telecom Regulatory Authority of India (TRAI) has today issued its Recommendations on “**Spectrum Usage Charges and Presumptive Adjusted Gross Revenue for Internet Service Providers and Commercial Very Small Aperture Terminal Service Providers**”.

2. DoT has sought TRAI’s recommendations in terms of clause 11(1) of TRAI Act 1997 (as amended) on:

(A) ISP license

- (i) Rates for SUC;
- (ii) Percentage of AGR including minimum AGR;
- (iii) Allied issues like schedule of payment, charging of interest, penalty and Financial Bank Guarantee (FBG).

(B) Commercial VSAT license

- (i) Floor level (minimum) AGR, based on the amount of spectrum held by commercial VSAT operators.

3. Accordingly, TRAI issued a consultation paper on “**Spectrum Usage Charges and Presumptive Adjusted Gross Revenue for Internet Service Providers and Commercial Very Small Aperture Terminal Service Providers**” on 19th August 2016. Written comments and counter comments were invited from stakeholders by 13th October 2016 and 27th October 2016 respectively. An Open House Discussion (OHD) was held on 19th January 2017 with the stakeholders.

4. Based on the analysis of the comments received from the stakeholders and its own analysis, the Authority has finalised its Recommendations on “**Spectrum Usage Charges and Presumptive Adjusted Gross Revenue for Internet Service Providers and Commercial Very Small Aperture Terminal Service Providers**”.

5. The salient features of the recommendations are given below:

- (i) The existing system of spectrum assignment on location/link-by-link basis on administrative basis to ISP licensees in the specified bands (viz 2.7 GHz, 3.3 GHz, 5.7 GHz and 10.5 GHz) to continue.



- (ii) Minimum presumptive AGR should not be made applicable to ISP licensees.
- (iii) SUC should not be levied as percentage of AGR and existing formula based mechanism of charging SUC to continue and also the existing system of payment of SUC charges on annual basis by ISP licensees should continue.
- (iv) The interest for delayed payment of SUC by ISP licensees should be 2% above the SBI PLR rate existing on the beginning of the relevant financial year and there should be no requirement of FBG for ISP licensee in respect of formula based SUC payable.
- (v) The minimum presumptive AGR should not be made applicable to commercial VSAT license.
- (vi) The SUC should not be more than 1% of AGR irrespective of the data rate.
- (vii) DoT may take up with DoS to evolve a system where the VSAT licensees are not made to run from pillar to post to get their services activated. The clock should start from the day the bandwidth is allotted by DoS and DoT should allot frequency within 3 months of allotment of spectrum by DoS. The two departments may also explore the possibility of implementing an on-line application for automating the whole process to bring in transparency.
- (viii) DoT should make arrangement to accept online payment of financial levies /dues such as LF, SUC and other fees that are paid by the licensees for obtaining licence/ approval/ clearance / issue of NOC from DoT.
- (ix) DoT should put in place a comprehensive, integrated on-line system that acts as a single window clearance for the allocation/clearances/ issuance for approval/ clearance / issue of NOC and other permissions to the licensees.

The recommendations have been placed on TRAI's website www.trai.gov.in.

6. For any clarification/ information Mrs. Vinod Kotwal, Advisor (F&EA), TRAI may be contacted at Tel. No. +91-11-23230752 Fax No. +91-11-23236650 or email: advfeal@trai.gov.in


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