

क्रमांक. / No. H.19011/Misc/16 - CDN
भारत सरकार / Government of India
गृह मंत्रालय / Ministry of Home Affairs
समन्वय निदेशालय / Directorate of Coordination
(पुलिस बेतार) / Police Wireless

खंड संख्या 9/ Block No. 9,
केन्द्रीय सरकार कार्यालय परिसर /CGO Complex,
लोधी रोड, नई दिल्ली-3/Lodhi Road, New Delhi-3
दिनांक / Dated 9th December 2016

To,

Shri Sanjeev Banzal,
Advisor (Networks, Spectrum and Licensing),
Telecom Regulatory Authority of India,
Jawaharlal Nehru Marg (Old Minto Road),
New Delhi-110002

Subject: Comments/ counter-comments to Consultation Paper No. 23/2016 on Captive VSAT CUG Policy issues.

Sir,

Directorate of Coordination Police Wireless (DCPW) is one of the license holder of Captive CUG VSAT Network. The network is providing Voice and data services to the State & UT Police organisations and CAPFs.

With reference to the Consultation Paper No. 23/2016 on Captive VSAT CUG Policy issues, the comments of this Directorate on the issues raised in the above cited paper are as under. May like to consider them favourably.

Q1: *Should the license fees for the 2nd VSAT hub, which is used independently or for the redundancy purpose be kept the same as that of 1st VSAT hub? If no, what should be the per annum fees for the 2nd hub? please justify your answer.*

Comment: The license fee for the second hub, whether used independently or for the redundancy purpose, should not be kept the same as that of 1st VSAT hub. There should not be any separate license fee for the second hub. The license fee should be calculated for the whole network irrespective of number of hubs in the network.

Justification: (i) Prior to NTP'99, the license fee for Captive VSAT CUG network was payable as per DoT order No. 204-1/96-PHC dated 16.08.1996 and its addendums/ corrigendums. Accordingly, as per DoT orders dated 16.08.1996 and 29.08.1997 the license was being levied as follows:

- For the first hub, Rs. 16,000 per VSAT terminal p.a with minimum license fee of Rs. 16,00,000 (Covering upto 100 VSATs).
- The second hub was treated as independent Network for the purpose of license fees and was also charged Rs. 16,000 per VSAT terminal p.a with minimum license fee of Rs. 16,00,000 in the second hub (Covering upto 100 VSATs).

However, after NTP'99 the license fee for the Captive VSAT CUG network was amended to Rs 10,000/- per annum per VSAT w.e.f. 01.01.2004. The condition to pay minimum license fee (covering upto 100 VSATs) has been removed. Also, as there is no mention of second hub, the license fee is to be calculated as per total number of VSATs in the network irrespective of number of hubs.

(ii) In case of other category of VSAT license also, wherein the licensee provides VSAT services to third party on commercial terms using shared hub, the license fee payable has never depended on number of Hubs in the network. Earlier the license fee was Rs. 50,000/- per annum per VSAT in network and now it is based on revenue generated.

(iii) Claiming license fee for the second hub separately will act as deterrent for Captive VSAT CUG licensee for owning the second HUB for redundancy purpose.

Q2. *Is there a need to review some or all of the fee/charges viz. Entry Fee, License Fee, royalty charges and Bank Guarantee etc. for Captive VSAT CUG licenses (1st hub and 2nd hub) ? If yes, what should be the appropriate fee / charges? Give details with justification?*

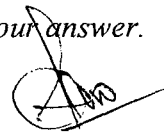
Comment: Yes, there is very strong need to review the fee/charges viz. Entry Fee, License Fee, royalty charges and Bank Guarantee etc. for Captive VSAT CUG licenses. The amount of license fee and royalty charges payable per VSAT for Captive VSAT CUG licenses should be less than payable for Commercial VSAT licenses.

Justification: Captive VSAT CUG networks are not used to generate direct revenue by providing telecom services to third party. Hence, license fee and royalty charges payable by Captive VSAT CUG licensee should be less than payable by Commercial VSAT licenses for each VSAT in the network. The same has been followed for Entry fee and Bank Guarantees. Total license fee and royalty charges received from Commercial VSAT licensees may be divided by total number of VSATs in the Commercial VSAT networks to calculate average license fee and royalty charges per Commercial VSAT. The license fee and royalty charges per Captive VSAT may be kept about 50% of average license fee and royalty charges per Commercial VSAT.

Q3. *In your opinion what should be procedure and time frame for issuing various license(s)/approvals and augmentation of bandwidth for captive VSATs? Please give rationale to support your arguments.*

Comment: Various license(s)/ approvals may be granted by concerned department/ organization as per citizen charter/RFD and international commitments. Regarding Government Organisations, comments are provided under Q5 below.

Q4. *Is it appropriate to split the Captive VSAT categories for (1) Not-for-profit Government Organisations/departments (handling important missions) and (2) Commercial organizations and others? If yes, please suggest Entry Fee, Licence fee and Royalty charges etc. for the two categories of licensees. Should the rates applicable to such not for profit government organizations be at a discounted rate as compared to the rates applicable for other business organizations? Justify your answer.*



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Comment: It is desirable to have two categories for users of Captive VSAT CUG network as (1) Not –for - profit Government Organisations/departments and (2) Commercial organizations. For category (1) Not –for - profit Government Organisations/departments, there should not be any Entry Fee, Licence fee and Royalty charges etc. For category (2) Commercial organizations, the license fee and royalty charges may be kept as suggested in comment against Q2 above.

Justification: Commercial Organisations own the Captive VSAT network to support their main business to increase their revenue and profit, whereas the main motive of Government Organisations is to provide social services like Tele-medicines, Distance Educations, Disaster Management System, Police communication Network etc. Hence, the categories need to be treated in different manner. Waiving Entry Fee, Licence fee and Royalty charges etc. for category (1) Not –for - profit Government Organisations/departments will help them enhance their reach to serve more and more people.

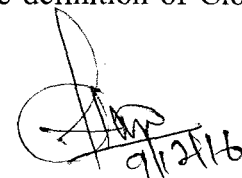
Q5. Any other change(s) required in the Captive VSAT CUG license terms and conditions?
Please justify the suggested change(s).

Suggestion: (i) Government Organizations/ Departments may be issued permission / authorization for owning and operating Captive VSAT CUG network, instead of a license. Authorisation / Permission and other approvals may be granted through single window system. There should not be any entry fee, license fee and royalty charges etc. for Government Organizations/ Departments for owning and operating Captive VSAT CUG network.

Justification: The present Captive VSAT CUG license has been designed for issue to Companies and not for Government Organizations/ Departments. And as explained in justification under Q4, the prime objective of Government Organizations/ Departments for owning Captive VSAT CUG network is very different from that of Companies. Hence, both should not be governed by same terms & conditions. It would be more appropriate that Government Organizations/ Departments are issued permission / authorization for owning and operating Captive VSAT CUG network, instead of a license. Further, no entry fee, license fee and royalty charges etc. for Government Organizations/ Departments will help them enhance their reach to serve more and more people.

(ii) More than one CUG or sub-CUG may be permitted within Captive VSAT CUG network.

Justification: Having more than one CUG or sub-CUG within the Captive VSAT CUG network would result in better administration and management of the network and its resources. However, all users in the network must conform to the definition of Closed User Group (CUG).


9/12/16
(Rajesh Ekka)

Deputy Director (CDN)

31-