

To
Shri Sudhir Gupta,
Pr. Advisor (MS),
Telecom Regulatory Authority Of India
New Delhi

Dear Sir,

Sub: Consultation Paper No 01/2012 dt 16th Jan 2012 – Consultation on Draft Guidelines for Unified Licensing Regime – Submissions-reg

We welcome and appreciate the initiatives Taken by TRAI in bringing out the consultation paper on Unilfied Licensing Regime to encourage new entrants in the Telecom Space.

Our submissions on various issues are brought out hereunder.

a. Scope of Licence for Unified Licence (National level/Service area level/District level), Class License and License through Authorisation.

As per the Scope , the Unified licensee shall be permitted to provide any telecom service, as defined below on a non-exclusive basis, anytime, anywhere, using any technology within its license area as prescribed. Unified license covering UASL/CMTS, NLD, ILD, Internet, IP-I and GMPCS.

While the Scope is good for the new applicants who can take License as per their requirement, Our submission here is as under:

1. The New Unified License and its terms and conditions shall be applicable only to NEW LICENSEES / NEW SERVICE PROVIDERS
2. In the existing Licenses NLD, ISP Category A were issued for National Level Operation. Therefore this new Unified License should not be imposed on existing stand alone NLD / ILD / ISP / IP-I Licensees.
3. The existing Licenses were already issued for 20 Year / 15 year Tenure and therefore until and unless this License period expires there should not be any compulsion for any of the existing service providers to migrate to new Unified License.
4. However if any of the existing NLD / ILD / ISP / IP-I service providers are willing to migrate to new Unified License, there should be provision for the same in the New Unified License with appropriate fee structure including adjustment of already paid entry fee and FBG.

b. Actions which can be classified for minor violation and major violation for levy of penalty. and

c. What factors should be taken into consideration while determining the amount of penalty for minor and major violations respectively?

For National Level License , penalty for minor violation is indicated as Rs 10 Crore and that for major violation is mentioned as Rs 50 Crore. This is exorbitant and the characterization of these violations shall be clearly defined and penalty should be re-considered. Further , even under such violations the Licensee shall be given an opportunity to present their side of the issue and only upon hearing decision to impose penalty should be decided. Appropriate authority for this shall be TDSAT.

d. What should be the terms and conditions of Licensing through Authorisation?

The Authorised agency shall ensure payment of same license fee .

e. Whether Voice mail/Audiotex/UMS services and Radio paging should continue to be under licensing regime?

No Comments

f. Is there any other service(s), which needs to be brought under licensing regime?

No Comments

g. In the new licensing regime, spectrum has been delinked from the Unified Licence. In such a scenario, should TRAI be entrusted with the function of granting all types of Unified Licence as is prevalent in majority of the countries in the world?

No Comments

h. Any other issues.

1. There should not be any Entry fee etc for the existing service providers to migrate to new License if desired.

2. Already NLD service providers are paying 6% of AGR as License Fee (1% to DoT & 5% to USOF) which is proposed to be increased to 8% as has been reported to be approved by Telecom Commission. Imposing 10% of AGR as Annual License fee as proposed now is not at all justified. FBG should not be imposed on existing Licensees.

3. Presently IP-I Licensees are not paying any license fee as they are the input service providers to TSPs and carriers who in turn are paying License fee. Similarly with a view to have broadband penetration, License fee was fixed as Rs 1 per year for 15 years. But imposing license fee on ISPs now will defeat this purpose . Thus these two categories i.e existing IP-I and ISP Licensees shall continue to provide services without any license fee .

4. CENVAT type input credit facility shall be extended for License fee as well, otherwise it is leading to payment of license fee at multiple points of same service.

1. Under this proposed Unified License only Mobile Operators & Telecoms will get some value for extra License fee as they can go to any circle and offer any telecom service. But in the case of stand alone NLD / ILD / ISP / IP I service providers there is no value addition / Benefit being extended under this new License. They will continue to provide only the existing services but will have to pay more. On the other hand the bandwidth prices are falling to rock bottom and the operators are demanding heavy discount from TRAI price. Ultimately this will have serious impact on the survival of existing NLD / ILD / ISP / IP-I service providers and therefore once again we submit that unless the existing License period expires ,there should not be any compulsion for any of the existing service providers to migrate to new Unified License.

Sir, We hope that you will take into account the above issues while finalising the terms and conditions of the proposed Unified License.

Thanks & Regards

S.Subramanian |Dy.General Manager | Telecom -Core Group | T 011-26856959 |
F 011-26564812| M +91 9873549076 | E-mail: subbu@powergridindia.com