



Telecom Regulatory Authority of India

Recommendations

On

Captive VSAT CUG Policy Issues

(Response to back reference dated 12th March 2020 received from Department of Telecommunications on TRAI's recommendations dated 18th July 2017)

10th April 2020

Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg, New Delhi-110002

CHAPTER – I: INTRODUCTION

1. The Department of Telecommunications (DoT), through its reference dated 17th March 2016, had requested TRAI to furnish its recommendations on applicability of DoT order dated 29th August, 1997 on license fee for 2nd Hub in Captive VSAT CUG network and also on the terms and conditions of Captive VSAT CUG License as per clause 11(1)(a) of TRAI Act 1997 as amended. On receiving the reference, some of the Captive VSAT licensees were consulted and it was decided to include for consultation, some additional issues related to applicability of Royalty charges and delays in approvals in augmentation of bandwidth for Captive VSAT, so as to provide comprehensive recommendations on the issues relating to Captive VSAT CUG license.
2. TRAI issued a Consultation Paper on 28th October 2016, on ‘Captive VSAT CUG Policy issues’. Based on the inputs received from various stakeholders and its own analysis, the Authority issued the recommendations on ‘Captive VSAT CUG Policy issues’ on 18th July 2017.
3. DoT, vide letter dated 12th March 2020, informed TRAI that the recommendations have been considered by the Government and it has been decided to refer back recommendations on para 3.2(ii), 3.3(i), 3.3(ii), 3.4(i), 3.4(ii), 3.4(iii), 3.4(iv) & 3.5 for reconsidered opinion/recommendation under Section 11 of the TRAI Act 1997. Copy of the DoT's back reference is attached at **Annexure**. Chapter I contains a brief background to the recommendations. The Authority's earlier recommendations, the views of the DoT thereon, and the response of the Authority on the issues referred back are given in Chapter II.

CHAPTER-II: PARAWISE RESPONSE

The Authority examined the observations of the DoT in its back-reference dated 12th March 2020. It has been noted that DoT has referred-back recommendations made at Para 3.2(ii), 3.3(i), 3.3(ii), 3.4(i), 3.4(ii), 3.4(iii), 3.4(iv) and 3.5. These referred-back recommendations, DoT's observation and the Authority's response after due deliberation and reconsideration, para wise, are given below:

PARAWISE RESPONSE

1. Para 3.2(ii) of Authority's Recommendations dated 18th July 2017:

The Authority recommends that:

FBG equivalent to License Fee for two quarters may be charged from Captive VSAT licensee. (Para 2.20)

DoT View

The applicant company needs to submit the initial Financial Bank Guarantee (FGB) in the line with Commercial CUG VSAT License for the amount of Rs.30 lakhs before signing the License Agreement. However, subsequently, the amount of FBG shall be equivalent to the estimated sum payable equivalent to License fee for two quarters and other dues not otherwise securitized. It is also noted that the amount of FBG shall be subject to periodic review on six monthly basis by the Licensor and shall be renewed from time to time.

Therefore, TRAI recommendations are referred back.

Response of TRAI

The rationale behind the Authority's recommendations, has been brought out in Para 2.16, 2.18 and 2.19 of its recommendations dated 18th July 2017. These are reproduced below:

2.16 Most of the captive VSAT licensees have few hundred VSAT remote terminals (except Directorate of Coordination, Police Wireless (DCPW), Ministry of Home Affairs, which has around 700 VSAT remote terminals). Annual license fee @ Rs. 10,000/- per VSAT terminal (as recommended in para 2.9(ii)) shall be in the range of Rs.10 Lakh to Rs. 20 Lakh for 100 to 200 VSAT terminals respectively. In view of this, entry fee in the form of FBG for Rs. 30 Lakh does not seem justified and the same can be considered to be reduced.

2.18 As per the condition stipulated under Unified License (UL), intending licensee has to pay Financial Bank Guarantee (FBG) while obtaining the license. The FBG paid remain valid for one year's period and subsequently the amount of FBG has to be equivalent to the estimated License fee for two quarters and other dues not otherwise securitized. The amount of FBG is subject to periodic review on six monthly basis by the Licensor and has to be renewed from time to time.

2.19 The Authority is of the view that since most of the Captive VSAT licensees are government organizations associated with critical business operations or providing services to the citizens of the country in various dimensions, the payments by these licensees cannot be significant source of revenue generation. The Authority is of the opinion that in order to bring parity on FBG conditions, prescribed condition similar to that of UL for

charging of FBG equivalent to License Fee for two quarters should also be applicable to Captive VSAT licensee.

DoT in its back reference has stated that as per the terms and conditions of Captive VSAT CUG License, the initial Financial Bank Guarantee (FGB) in line with Commercial CUG VSAT License, for an amount of Rs.30 lakhs is to be submitted before signing the License Agreement. However, subsequently, the amount of FBG shall be equivalent to the estimated sum payable equivalent to License fee for two quarters and other dues not otherwise securitized.

The Authority has examined the comments of DoT. TRAI has recommended that the amount of FBG should be equivalent to License Fee for two quarters. However, the initial FBG (valid for one year) is to be submitted by the applicant company after issue of Letter of Intent (LoI) by DoT but before the signing of the License Agreement and at that moment the License Fee for two quarters is not known as the company is yet to start the operation. Therefore, initial FBG for a fixed amount is prescribed which is valid for a period of one year and from subsequent year the FBG amount is made equivalent to License fee for two quarters.

At present the initial amount of FBG is Rs. 30 Lakhs. In Para 2.16 of the recommendations, it has been discussed that the average annual license fee of Captive VSAT CUG licensees varies between Rs. 10 Lakhs to Rs. 20 Lakhs for 100 to 200 VSAT terminals. It has also been discussed that entry fee in the form of FBG for Rs. 30 Lakhs does not seem justified and the same can be considered to be reduced. However, in the recommendations, the Authority recommended to reduce the entry fee from Rs. 30 Lakhs to Rs. 15 Lakhs. In respect of FBG, it was recommended to keep it

equivalent to license fee for two quarters without mentioning any amount for initial FBG.

As per justifications already made in Para 2.16 of the recommendations, the Authority feels that the initial amount of FBG should also be reduced in line with the entry fee reduction and therefore the Authority recommends to reduce the initial FBG amount from Rs. 30 Lakhs to Rs. 15 Lakhs. Subsequently, the amount of FBG shall be equivalent to the estimated sum payable equivalent to License fee for two quarters and that the amount of FBG shall be subject to periodic review on six monthly basis by the DoT and shall be renewed from time to time.

2. Para 3.2(i) and 3.2(iii) of Authority's Recommendations dated 18th July 2017:

The Authority recommends that:

- (i) Royalty charge for Captive VSAT terminals may be calculated in line with the formula given in DoT circular dated 22nd March 2012. In the formula for calculation of Royalty charge, annual royalty factor needs to be multiplied by bandwidth factor and number of carriers assigned only.*
- (ii) There is no justification for charging additional 25% amount as reuse factor for number of VSATs more than the number of carriers. These charges may be eliminated for calculation of Royalty charges. Accordingly, DoT may issue necessary clarification in this regard. (Para 2.28)*

DoT View

DoT is of the view that the Para 3.3 of TRAI recommendation pertain to larger issue of 'Administrative Allocation of Spectrum'. It was decided to defer the para 3.3 of the TRAI recommendations as the

administrative allotment of spectrum is yet to be decided. This is being separately examined in DoT. Therefore, para 3.3 of the TRAI recommendations can be taken up after the decision of the larger issue of “Administrative Allocation of Spectrum”.

Therefore, TRAI recommendations are referred back.

Response of TRAI

The justification for this recommendation has been made in Para 2.25, 2.26 and 2.27 of TRAI Recommendations dated 18th July 2017. The same are reproduced below:

2.25 The Authority examined the reply received from DoT and noted that DoT's order No. P-11014/34/2009-PP (III) for Royalty charges have no mention of 25% reuse factor. It prescribes additional royalty @ 25% of the basic royalty only for DSNGs in case the same frequency carrier is used by the user from different OB vans belonging to him. Applicability of this additional 25% royalty charge is not appropriate in the present case as Captive VSAT networks cannot be equated with SNG/DSNG networks.

2.26 The Authority is of the view that operational efficiencies are achieved by deploying the latest technologies where maximum efficient utilization of spectrum (carriers) is achieved by sharing of frequencies. For example- in contrast to allocating dedicated bandwidth in single carrier per channel (SCPC) configuration mode, applying contention ratio in Time Division Multiple Access (TDMA) results in better utilization of frequencies and saving of spectrum. In TDMA many connections are multiplexed over single carrier which uses full bandwidth of the transponder. It efficiently uses

bandwidth of transponder, therefore, utilise transponder bandwidth to the capacity of number of carriers assigned.

2.27 Further, the licensee is already paying for bandwidth charges based on number of carriers obtained. In fact the licensee is efficiently utilizing the available bandwidth by rotating the carriers in multiple VSATs. Hence there seems no justification in applying 25% reuse factor to be used for balance VSATs after reducing the number of VSATs by number of carriers which is akin to penalising the licensee for efficiently using its spectrum.

Further, if the number of VSAT terminals being operated by the Licensee is more than the number of frequency Carriers (using frequency reuse criteria), there should not be requirement of any Royalty charges on those VSAT terminals which are in excess of the number of carriers. Royalty is charged on the quantum of frequency assigned i.e. the number of carriers allotted to the licensee. The charges on the total number of VSAT terminals deployed and operated by the Licensee are already covered in the License fee, which is Rs. 10,000/- per VSAT terminal per annum. Therefore, in case the Licensee deploys more number of VSAT terminals using the same number of allotted carriers, he will definitely be paying more License Fee in accordance with the number of VSAT terminals. Enhancing Royalty charges based on the number of VSAT terminals is neither justified nor in line with the principal of applying Royalty charges. Therefore, the royalty charges should be limited to the charges only for the assigned frequencies. Therefore, the Authority reiterates its recommendations.

Further, DoT is of the view that the Para 3.3 of TRAI recommendation pertains to larger issue of 'Administrative Allocation of Spectrum' and the same is being separately

examined in DoT. Therefore, DoT has decided that Para 3.3 of the TRAI recommendations can be taken up after the decision of the larger issue of “Administrative Allocation of Spectrum”.

The Authority feels that there is no justification to link the calculation of current Royalty Charges with the decision on larger issue of ‘Administrative Allocation of Spectrum’. The Authority, therefore, reiterates its recommendation and the calculation of Royalty charges for the existing licensees for the already assigned carrier frequencies may be calculated as per Para 3.3 of TRAI recommendations. Further, the issue of “Administrative Allocation of Spectrum” should be resolved at the earliest.

3. Para 3.4(i) of Authority’s Recommendations dated 18th July 2017:

The Authority recommends that:

- (i) Para 3.16, 3.18 and 3.20 of the recommendations ‘Spectrum Usage Charges and Presumptive Adjusted Gross Revenue for Internet Service Providers and Commercial Very Small Aperture Terminal Service Providers’ dated 7th March, 2017 on streamlining the processes shall apply to Captive VSAT licensees too. (Para 2.41)*

DoT View

The para 3.16, 3.18 and 3.20 of the TRAI recommendations dated 07.03.2017 are reproduced as under:

“3.16 The Authority is of the view that 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 on on-

line application for automating the whole process to bring in transparency.

3.18 The Authority recommends that the 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.

3.20 The authority recommends that DoT should put in place a comprehensive integrated on-line system that acts as a single window clearance for the allocation/clearance/issuance for approval clearance/issue of NOC and other permissions to the licensees”.

With regard to the para 3.18 of the TRAI recommendation dated 07.03.2017, it is noted that the DoT has already provided the provisions for making online payment in respect of all the charges/levies of the department through ‘Bharatkosh’ software.

Further, since the implementation of the recommendations in para 3.16 and 3.20 mentioned above also pertains to the Department of Space besides WPC/licensing division, working with DoS/other units shall be required. As per the last Technical Advisory Group (TAG) meeting discussion, DoS is exploring the possibility of implementing an on-line application for automating the whole process in consultation with WPC, licensing division of DoT & MIB.

The DoT recommends for accepting these recommendations in-principle.

Response of TRAI

It was observed that in case of VSAT, the transponder bandwidth is allocated by the Department of Space (DoS) and the frequency allotment is carried out by WPC wing of DOT.

Therefore, the VSAT licensees have to essentially take the satellite bandwidth and pay the charges for the transponder-bandwidth to the DoS from date of allotment of bandwidth. Additionally, the VSAT licensee is also required to pay license fee and spectrum charges to WPC, DoT. The VSAT licensee has to take number of permissions / authorizations from DoT namely, Frequency Assignment, Standing Advisory Committee on Radio Frequency Allocation (SACFA) clearance, Network Operations Control Centre (NOCC) clearance. During consultation process, it was pointed out by the stakeholders that they face significant delays to the tune of 6 to 12 months to obtain such clearances from DoT. Therefore, a time bound process would be beneficial to the licensees to effectively utilise the satellite bandwidth.

The Authority has noted that since DoT has already accepted the recommendations in principle, no further consideration is required from TRAI at this stage. The Authority reiterates its recommendations and the same should be implemented at the earliest.

4. Para 3.4(ii) of Authority's Recommendations dated 18th July 2017:

The Authority recommends that:

- (ii) Further, in case delay in allotment of corresponding ground segment frequency by WPC extends beyond 3 months from the date of allotment of space segment by DoS, the space segment charges payable to DoS may be borne by DoT till the time allocations/clearances by WPC/DoT/NOCC are completed. (Para 2.41)*

DoT View

In this regard, it is noted that the comments of Department of Space (DoS) in respect of para 2.40 and 2.41 has been obtained and DoS opined that the TRAI recommendations to the effect that DoS should not charge the user for space segment in cases where the delay in allotment of frequency by WPC for the corresponding ground segment beyond 3 months can't be agreed since the satellite has stipulated life and idle in-orbit time is to be minimized. However, the DoS is in favour of faster regulatory clearance from the date of DoS allotment.

In view of the above, it may not be appropriate for DOT to bear the charges payable to DoS in case of delay in clearance/allocation by WPC. **However, the TRAI recommendations for expediting the allocation may be accepted.**

As per the Citizen Charter, the spectrum should be allocated in four weeks of the date of application. On deliberation of the issue in detail, it is observed that the delay is caused mainly due to obtaining 'No Dues Certificate' when the file is moved by WPC through various sections. In order to overcome the problem of the main reason of the delay {i.e obtaining 'No Dues Certificate' before issue of WPC allocation}. And in order to make adherence to the citizen-charter easier, it would be appropriate to make the procedure simpler. For adopting the provisions of an undertaking in place of 'No Dues Certificate' in order to faster and smoothen the regulatory clearance. There is a provision of obtaining an undertaking from the applicant in line with the procedure for grant of Unified License (reference Annexure-III). Further, as already being followed, the Space segment allocation may be dealt with by Department of Space as their relevant guidelines/procedure.

TRAI Recommendations are referred back.

Response of TRAI

The Authority has raised its concerns regarding procedural delays in many of its earlier recommendations to DoT. The Authority re-emphasizes that procedures for application for VSAT license, frequency assignment and seeking various approvals should be streamlined and there should be a single window clearance system. The delay due to cumbersome processes seriously impacts various strategic programs and initiatives of the agencies seeking VSAT license.

Therefore, the Authority reiterates that the cost of delay due to procedures or internal issues of Licensor (DoS/DoT) should not be allowed to be borne by users/licensees. The clearances and allotment should be made within a period of three months, otherwise, the licensee may be compensated. The Authority, therefore, reiterates its recommendation.

Further, from the point of view of applicant organisations/ licensees, the Department of Space and Department of Telecom, both are Government Departments. Therefore, for obtaining license and setting up of Captive VSAT CUG network, such applicants should be provided with a Single Window Clearance for all the requisite permissions and approvals. At the back end, there may be different departments and units providing specific support to them. The Authority, therefore, recommends to create a Single Window procedure to cater to the requirements of applicant/ licensee companies for the entire processes that are involved in obtaining license, approvals/ clearances related to space segment, ground segment, etc.

5. Para 3.4(iii) of Authority's Recommendations dated 18th July 2017:

The Authority recommends that:

(iii) No late fee may be charged from the licensee in case there is no pendency of submission of requisite documents, fee etc. by the licensee and delay in allocation/approval is due to licensor's internal matters. (Para 2.41)

DoT View

There is no provision of charging late fee while processing the application. The issue of Late Fee arises only in case of delayed payment of license fee/spectrum charges. Accordingly, no action required to DoT towards the said TRAI recommendations.

TRAI recommendations are referred back.

Response of TRAI

TRAI recommendation

Extract of the para 2.29 and para 2.34 of TRAI recommendations is reproduced below:-

2.29 There are processes such as network approval, space segment allocation, frequency assignments, operating licenses and payments etc. which are required to be completed before VSAT network is commissioned.

2.34 Further, as per DoS guidelines, space segment charges become payable from the date of allotment letter and levying of these charges start even before approvals from all the other agencies are in place and the network is put to use. The stakeholders also submitted that a licensee has to pay charges in the form of late fee from retrospective date of allotment even when approvals are

pending due to internal processes of the licensor.

DoT has stated in their back reference that there is no provision of charging late fee while processing the application. The issue of Late fee arises only in case of delayed payment of license fee/spectrum charges. Accordingly, no action is required by DoT towards the said TRAI recommendations. The Authority agrees to the stand of DoT that the issue of late fee arises only in case of delayed payment of license fee / spectrum charges. However, the Authority recommends that DoT must ensure that the demand letter towards the payment of license fee/ spectrum charges is issued timely and the licensee is given sufficient time to pay the demanded dues.

6. Para 3.4(iv) of Authority's Recommendations dated 18th July 2017:

The Authority recommends that:

(iv) Procedure for augmentation of bandwidth may be at par with those of Commercial VSAT, NLD, ILD licensees. Augmentation should be cleared at the level of DoT/ WPC only (not at the level of Apex Committee). (Para 2.41)

DoT View

The case for approval of bandwidth for the same technology does not go to the Apex Committee. Accordingly, the revised procedure is already being implemented. Therefore, no further action required on said TRAI recommendations.

Response of TRAI

The Authority is in favour of simplified procedures at every possible stage to make the overall process convenient and less cumbersome for the applicants. As mentioned by DoT in their response, the Authority has noted that the cases for approval of bandwidth for the same technology does not go to the Apex Committee and the revised procedure is already being implemented.

Since the recommendations are already accepted and are being implemented by DoT, therefore does not require further consideration.

7. Para 3.5 of Authority's Recommendations dated 18th July 2017:

The Authority recommends that the restriction/cap of 512Kbps/2Mbps per VSAT as maximum data rates for Captive VSAT may be revised upwardly and DoT/TEC may revise its specifications accordingly. (Para 2.49)

DoT View

In this regard, the comments of Department of Space are as under:

“The network parameters including allowable data rates are issued by TEC/DOT in the guidance of the Technical Advisory Group (TAG) to INSAT Coordination Committee (ICC) taking into account the aspects like satellite parameters, frequency bands, available associated ground segment technologies, coordination constraints etc. This aspect, therefore, falls under the technical domain of the TAG & DOT and may be kept outside the purview of these recommendations.”

Accordingly, the TRAI recommendations on the issue may be accepted in principle. However, the revision shall be done in consultation with Department of Space (DoS).

Response of TRAI

The Authority is of the view that the bandwidth caps decided earlier for Captive CUG VSAT license have become technologically obsolete. Demand for high data rates has grown rapidly in the last decade and the Authority recognises that the same should also be made available for the Captive VSAT users.

Since TRAI recommendation on the issue is already accepted in principle by DoT, the Authority is of the view that it does not require any further consideration. For benefit of the Captive VSAT users, the recommendations should be implemented at the earliest.

Annexure

No. 824-200/CAP-VSAT/POLICY/2013-DS
Government of India
Ministry of Communications
Department of Telecommunications
Sanchar Bhawan, 20, Ashoka Road, New Delhi
(Satellite Division)

Dated: 12-03-2020

To,

The Secretary
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
Jawahar Lal Nehru Marg, Old Minto Road
New Delhi – 110002

Subject: Reference back on the TRAI's recommendations dated 18-07-2017 on "Captive VSAT CUG Policy issues"

Kindly refer to the above mentioned subject, wherein TRAI's recommendations dated 18-07-2017 on "Captive VSAT CUG Policy issues" was forwarded to DoT vide letter No. 102-2/2016-NSL-II dated 18-07-2017.

2. In this regard, the undersigned has been directed to convey that the recommendations have been considered by the government and it has been decided to refer back recommendations on paras 3.2(ii), 3.3(i), 3.3(ii), 3.4(i), 3.4(ii), 3.4(iii), 3.4(iv) & 3.5 for reconsidered opinion/recommendation. Detailed views of DoT on these paras of recommendation are enclosed as Annexure.

Encl: As above


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12/3/2020

**The detailed para-wise view of DoT on TRAI's Recommendation on Captive VSAT CUG Policy issues dated
18-07-2017**

S.No.	TRAI Recommendations	DoT view
1.	<p>Para 3.2(ii): FBG equivalent to License Fee for two quarters may be charged from Captive VSAT licensee.</p>	<p>The applicant company needs to submit the initial Financial Bank Guarantee (FBG) in line with the Commercial CUG VSAT License for the amount of Rs. 30 lakhs before signing the License Agreement. However, subsequently, the amount of FBG shall be equivalent to the estimated sum payable equivalent to License fee for two quarters and other dues not otherwise securitized. It is also noted that the amount of FBG shall be subject to periodic review on six monthly basis by the Licensor and shall be renewed from time to time.</p> <p>TRAI recommendations are referred back.</p>
2.	<p>Para 3.3(i): Royalty charge for Captive VSAT terminals may be calculated in line with the formula given in DoT circular dated 22nd March 2012. In the formula for calculation of Royalty charge, annual royalty factor needs to be multiplied by bandwidth factor and number of carriers assigned only.</p> <p>Para 3.3 (ii): There is no justification for charging additional 25% amount as reuse factor for number of VSATs more than the number of carriers. These charges may be eliminated for calculation of Royalty charges. Accordingly, DoT may issue necessary clarification in this regard.</p>	<p>Para 3.3 of TRAI recommendation pertain to larger issue of 'Administrative Allocation of Spectrum'. It was decided to defer the para 3.3 of the TRAI recommendations as the administrative allotment of spectrum is yet to be decided. This is being separately examined in DoT. Therefore, para 3.3 of the TRAI recommendations can be taken up after the decision on the larger issue of "Administrative Allocation of Spectrum".</p> <p>TRAI recommendations are referred back.</p>


12.3.2020

3.	<p>Para 3.4(i): Para 3.16, 3.18 and 3.20 of the recommendations 'Spectrum Usage Charges and Presumptive Adjusted Gross Revenue for Internet Service Providers and Commercial Very Small Aperture Terminal Service Providers' dated 7th March, 2017 on streamlining the processes shall apply to Captive VSAT licensees too.</p>	<p>The para 3.16, 3.18 and 3.20 of the TRAI recommendations dated 07.03.2017 is re-produced as under: <i>"3.16 The Authority is of the view that 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.</i> <i>3.18 The Authority recommends that the 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.</i> <i>3.20 The Authority recommends that 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."</i> With regard to the para 3.18 of the TRAI recommendations dated 07.03.2017, it is noted that the DoT has already provided the provisions for making online payments in respect of all the charges/levies of the department through 'Bharatkosh' software.</p> <p>Further, since the implementation of the recommendations in para 3.16 & 3.20 mentioned above also pertains to the Department of Space besides WPC/licensing division, working with DoS/other units shall be required. As per the last Technical Advisory Group (TAG) meeting discussions, DoS is exploring the possibility of implementing an on-line application for automating the whole process in consultation with WPC, licensing division of DoT & MIB.</p> <p>The DoT recommends for accepting these recommendations in-principle.</p>
4.	<p>Para 3.4(ii): Further, in case delay in allotment of corresponding ground segment frequency by WPC extends beyond 3 months from the date of allotment of space segment by DoS, the space segment charges payable to DoS may be borne by DoT till the time allocations/clearances by WPC/DoT/NOCC completed.</p>	<p>In this regard, it is noted that the comments of Department of Space (DoS) in respect of para 2.40 and 2.41 has been obtained and DoS opined that the TRAI recommendations to the effect that DoS should not charge the user for space segment in cases where the delay in allotment of frequency by WPC for the corresponding ground segment beyond 3 months can't be agreed since the satellite has stipulated life and idle in-orbit time is to be minimized. However, the DoS is in favour of faster regulatory clearance from the date of DoS allotment.</p> <p>In view of the above, it may not be appropriate for DOT to bear the charges payable to DoS in case of delay in clearance/allocation by WPC. However, the TRAI recommendations for expediting the allocation may be accepted.</p> <p>As per the Citizen Charter, the spectrum should be allocated in four weeks of the date of application. On deliberation of the issue in detail, it is observed that the delay is caused mainly due to obtaining 'No Dues Certificate' when the file is moved by WPC through various sections. In order to overcome the problem of the main reason of the delay [i.e obtaining 'No Dues Certificate' before issue of WPC allocation], And in order to make adherence to the citizen-charter easier, it would be appropriate to</p>


12.3.2020

		<p>make the procedure simpler. For adopting the provisions of an undertaking in place of 'No Dues Certificate' in order to faster and smoothen the regulatory clearances. There is a provision of obtaining an undertaking from the applicant in line with the procedure for grant of Unified License (reference Annexure-III). Further, as already being followed, the Space segment allocation may be dealt with by the Department of Space as their relevant guidelines/procedure.</p> <p>TRAI recommendations are referred back.</p>
5.	<p>Para 3.4(iii): No late fee may be charged from the licensee in case there is no pendency of submission of requisite documents, fee etc. by the licensee and delay in allocation/approval is due to licensor's internal matters.</p>	<p>There is no provision of charging late fee while processing the application. The issue of Late fee arises only in case of delayed payment of License Fee/Spectrum Charges. Accordingly, no action required by DoT towards the said TRAI recommendations.</p> <p>TRAI recommendations are referred back.</p>
6.	<p>Para 3.4(iv): Procedure for augmentation of bandwidth may be at par with those of Commercial VSAT, NLD, ILD licensees. Augmentation should be cleared at the level of DoT/WPC only (not at the level of Apex Committee).</p>	<p>The case for approval of augmentation of bandwidth for the same technology does not go to the Apex Committee. Accordingly, the revised procedure is already being implemented. Therefore, no further action required on said TRAI recommendations.</p> <p>TRAI recommendations are referred back.</p>
7.	<p>Para 3.5: The restriction/cap of 512Kbps/2Mbps per VSAT as maximum data rates for Captive VSAT may be revised upwardly and DoT/TEC may revise its specifications accordingly.</p>	<p>In this regard, the comments of Department of Space are as under:</p> <p><i>"The network parameters including allowable data rates are issued by TEC/DOT in the guidance of the Technical Advisory Group (TAG) to INSAT Coordination Committee (ICC) taking into account the aspects like satellite parameters, frequency bands, available associated ground segment technologies, coordination constraints etc. This aspect, therefore, falls under the technical domain of the TAG & DOT and may be kept outside the purview of these recommendations."</i></p> <p>Accordingly, the TRAI recommendations on the issue may be accepted in principle. However, the revision shall be done in consultation with Department of Space (DoS).</p>


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