

Consultation Paper No. 10/2022



भारतीय दूरसंचार विनियामक प्राधिकरण  
**Telecom Regulatory Authority of India**

**Consultation Paper**  
**on**  
**Rationalization of Entry Fee and**  
**Bank Guarantees**

**26<sup>th</sup> July, 2022**

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**Written comments on the Consultation Paper are invited from the stakeholders by 23<sup>rd</sup> August, 2022 and counter-comments by 6<sup>th</sup> September, 2022. The comments and counter-comments will be posted on TRAI's website [www.trai.gov.in](http://www.trai.gov.in). The comments and counter-comments may be sent, preferably in electronic form, to Shri Amit Sharma, Advisor (Finance & Economic Analysis), TRAI on the email ID [fa@traigov.in](mailto:fa@traigov.in). For any clarification/ information, he may be contacted at Telephone No. +91-11-23234367.**

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## **CHAPTER-I: INTRODUCTION AND BACKGROUND**

### **INTRODUCTION**

- 1.1 The Department of Telecommunications (DoT), through its letter dated 3<sup>rd</sup> March 2022 (Appendix-I), has informed the Telecom Regulatory Authority of India (TRAI, hereafter ‘the Authority’) that as per the current Unified License (UL)/ Unified License (Virtual Network Operators) regime, there is a provision of different Entry Fee and two separate bank guarantees (BGs) i.e., Financial Bank Guarantee (FBG) and Performance Bank Guarantee (PBG).
- 1.2 Further, DoT through its afore-mentioned letter dated 3<sup>rd</sup> March 2022, has informed TRAI of its view that:
  - a) Entry Fee should be reduced and made uniform across all authorizations
  - b) Both bank guarantees should be merged and amount of a single BG may be prescribed for each authorization.
- 1.3 Accordingly, under the terms of clause 11 (1)(a) of TRAI Act, 1997, TRAI has been requested to give its recommendations on the issue.
- 1.4 The Authority notes in this context that in the letters issued in October, 2021, DoT informed holders of Unified Access Service licenses, Unified License (UL), Unified License (Virtual Network Operators)(UL(VNO)), National Long Distance, International Long Distance, Public Mobile Radio Trunking Service, Captive Mobile Radio Trunking Service, and Voicemail/ Audiotex/ Unified Messaging Service licenses/ authorizations that amendments had been carried out to the licenses reducing the amount of bank guarantees to 20% of the existing levels. This reduction by 80% in the levels of BGs was done pursuant to the telecom reforms announced by the Government on 15<sup>th</sup> September, 2021.

1.5 This Consultation Paper is being issued to solicit the comments of stakeholders before finalizing recommendations on the rationalization of the Entry Fee, merger of bank guarantees, and prescribing a single amount of BG for different authorizations/licenses/registrations/permissions.

## **BACKGROUND**

1.6 In 1994, DoT announced the National Telecom Policy (NTP 94) which defined certain important objectives, including the availability of telephones on demand, provision of world-class services at reasonable prices, ensuring India's emergence as a major manufacturing/ export base of telecom equipment, and achieving universal service covering all villages. NTP 94 envisaged revised targets to be achieved by 1997. DoT issued licenses to private companies to provide basic telephone services through wireline networks and value-added services such as Paging Services and Cellular Mobile Telephone Services (CMTS) through first-generation cellular mobile telephony.

1.7 In the 1994 regime, DoT had taken both types of BGs from service providers. Before signing the License Agreement, a PBG of Rs 2 crore was to be given by service providers and an FBG equivalent to 90% of the first year's license fee was required. Subsequent continuance of this FBG was decided by the telegraph authority<sup>1</sup>. No entry fee was charged by the licensor.

1.8 Under the New Telecom Policy 1999 (NTP 99), the Unified Access Services License (UASL) licensee had to submit both types of BGs before signing

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<sup>1</sup> As defined in the Indian Telegraph Act 1885, "telegraph authority" means the Director General of [Posts and Telegraphs], and includes any officer empowered by him to perform all or any of the functions of the telegraph authority under this Act.

the License Agreement. Initially, the licensee submitted PBG and FBG according to the service area (category-wise) and these BGs were subject to periodic renewal.

- 1.9 National Telecom Policy – 2012 (NTP 2012) recognized that the evolution from analog to digital technology had facilitated the conversion of voice, data, and video to the digital form. Increasingly, these were being rendered through single networks bringing about a convergence in networks, services and also devices. Hence, it was imperative to move towards convergence among various services, networks, platforms, and technologies and overcome the then existing segregation of licensing, registration and regulatory mechanisms in these areas to enhance affordability, increase access, delivery of multiple services, and reduce cost. Further, it envisaged providing secure, reliable, affordable and high-quality converged telecommunication services anytime, anywhere for an accelerated inclusive socio-economic development.
- 1.10 In the earlier regime of the UAS license, spectrum was bundled with the license. However, after considering the Authority's recommendations dated 11<sup>th</sup> May 2010, the Government delinked spectrum from the license and introduced the Unified License regime.
- 1.11 Applicants can now apply for Unified License along with authorization for any one or more services listed below:
  - a. Unified License (All Services)
  - b. Access Service (Service Area-wise)
  - c. Internet Service (Category-A with All India jurisdiction)
  - d. Internet Service (Category-B with jurisdiction in a Service Area)
  - e. Internet Service (Category-C with jurisdiction in a Secondary Switching Area)
  - f. National Long Distance (NLD) Service
  - g. International Long Distance (ILD) Service

- h. Global Mobile Personal Communication by Satellite (GMPCS) Service
- i. Public Mobile Radio Trunking Service (PMRTS)
- j. Very Small Aperture Terminal (VSAT) Closed User Group (CUG) Service
- k. INSAT MSS-Reporting (MSS-R) Service.
- l. Resale of International Private Leased Circuit (IPLC) Service
- m. Audio Conferencing/ Audiotex/ Voice mail service
- n. Machine to Machine 'A' (National Area)
- o. Machine to Machine 'B' (Telecom circle/Metro Area)
- p. Machine to Machine 'C' (SSA)

1.12 Under the UL regime, BGs were to be submitted separately for each service and service area. PBG and FBG were subject to a maximum of Rs 220 crores and Rs 44 crores respectively. However, as stated above, under the DoT's letter dated 6<sup>th</sup> October 2021, these BGs have been reduced by 80%. Now PBG and FBG amount to a maximum of Rs 44 crores and Rs 8.8 crores respectively.

1.13 In the context of NTP 2012, DoT, through its reference dated 7<sup>th</sup> July 2014 had sought recommendations of the Authority on 'Delinking of licenses for networks from the delivery of services by way of Virtual Network Operators'. The Authority, after detailed consultations, gave the recommendations on "Introducing Virtual Network Operators in the telecom sector", on 1<sup>st</sup> May 2015. Thereafter, DoT issued guidelines and a license agreement for the grant of Unified License (VNO) on 31<sup>st</sup> May 2016.

1.14 Under the Unified License (VNO), no PBG is required and FBG is required to be submitted separately for each service and service area. Earlier this was subject to a maximum amount of Rs 22 crores. Again, as already stated above, under the DoT's letter dated 6<sup>th</sup> October 2021, these BGs have been reduced by 80%. Now, FBG under UL (VNO) amounts to a maximum of Rs 4.4 crores.

1.15 In pursuance of the Telecom Reforms announced by the Government of India in September, 2021, the Notice Inviting Applications (NIA) for the Auction of Spectrum 2022 does not prescribe any bank guarantee to secure instalment payments.

## **CHAPTER-II : ENTRY FEE**

- 2.1 Entry Fee is a fixed one-time amount that prospective entrants must pay to enter a market. Entry Fees are typically non-refundable and constitute start up costs for a firm. One justification for prescribing entry fee is the extensive usage of public resources by firms in certain industries.<sup>2</sup>
- 2.2 In the Indian telecommunications sector, the concept of Entry Fee was initiated in New Telecom Policy, 1999 (NTP 99). Entry Fee was, *inter alia*, levied on Cellular Mobile Service Providers (CMSPs) and Fixed Service Providers (FSPs) as part of a migration package offered by the Government to mitigate industry distress at that time. The migration package stipulated that the entry fee for migration to NTP 99 (from the old fixed LF regime) will be equal to license fees dues payable by existing licensees up to 31.07.1999.
- 2.3 In September 2001, 17 fresh telecom licenses were issued to private companies as fourth telecom operator in each circle, one each in the 4 Metro cities and the 13 other non-Metro telecom circles. The licenses for the fourth telecom operator in each circle were allotted through a bidding process.
- 2.4 The Unified Access (Basic and Cellular) Services guidelines dated 11.11.2003 permitted some of the Cellular Mobile Telephone Service operators to migrate from CMTS license to Unified Access Service License. The entry fee to be paid by each licensee in each service area has been defined in the Unified Access Service License guidelines. The winning bid received for each LSA, during the September, 2001 bidding procedure for the fourth operator entry, served as the entry fee for the

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<sup>2</sup> <https://www.investopedia.com/terms/b/barrierstoentry.asp>

UASL regime and further amendments till 2012. Regarding the entry fee, the UASL guidelines stated the following:

*The applicant will be required to pay one time non-refundable Entry Fee based on the Letter of Indent (LOI) before signing the Licence Agreement.*

- 2.5 The detail of non-refundable Entry fee required under the Unified Access Services License for each service area is as per TABLE 2.1. Under this regime spectrum was linked with the license, **the LSA wise disparity** in entry fee can be linked to the benefits from spectrum in each LSA, which lead to difference in winning bids for each LSA.

**TABLE 2.1 : Entry Fee in UASL Regime**

<b>S.No.</b>	<b>Service Area</b>	<b>Category</b>	<b>Entry fee (Rs. in Cr)</b>
1	West Bengal	B	1.0000
2	Andhra Pradesh	A	103.0100
3	Assam	C	5.0000
4	Bihar	C	10.0000
5	Gujarat	A	109.0100
6	Haryana	B	21.4600
7	Himachal Pradesh	C	1.1000
8	Jammu & Kashmir	C	2.0000
9	Karnataka	A	206.8300
10	Kerala	B	40.5400
11	Madhya Pradesh	B	17.4501
12	Maharashtra	A	189.0000

13	North East	C	2.0000
14	Orissa	C	5.0000
15	Punjab	B	151.7500
16	Rajasthan	B	32.2500
17	Tamilnadu	A	233.0000
18	Uttar Pradesh (West)	B	30.5500
19	Uttar Pradesh (East)	B	45.2500
20	Delhi	A	170.7000
21	Kolkata	A	78.0100
22	Mumbai	A	203.6600

2.6 One of the objectives of NTP 2012 was to strive to create One Nation - One License across services and service areas. After considering the recommendations of TRAI on Guidelines for Unified Licenses dated 12.05.2012 and Recommendations on “Terms and Conditions of Unified License (Access Services)” dated 02.01.2013, the Government decided to grant Unified License. Under this regime, the allocation of spectrum was delinked from the licenses.

2.7 The Unified License Guidelines laid down provision for Entry Fee. The UL Guidelines regarding the entry fee are as follows:

*A one-time non-refundable Entry Fee for authorization of each Service and service area shall be payable before signing of license agreement and thereafter for each additional authorization (s) as per **Appendix-II**. The total amount of Entry fee shall be subject to a maximum of Rs. 15 crore (Rupees Fifteen crore only).*

- 2.8 The UL (VNO) license guidelines also lay down provisions for entry fee:  
*A one-time non-refundable Entry Fee for authorization of each Service and service area shall be payable before signing of license agreement and thereafter for each additional authorization (s) as per **Appendix-III**. The total amount of Entry fee shall be subject to a maximum of Rs. 7.5 crore (Rupees Seven crore fifty lakh only), whichever is higher.*
- 2.9 UL and UL (VNO) guidelines, along with specifying entry fee for all services, also lay down entry fee for each specific authorization. However, it may be noted that the validity of license shall be 20 years from the effective date of the first authorisation in the Unified License. This would imply that authorisation for services added at a later date would be valid only for the remaining period, without any pro rata rebate in entry fee etc. Similarly, there may be other terms and conditions in the UL and UL (VNO) guidelines that can be reviewed for the purpose of rationalizing entry fee.
- 2.10 In the journey from UASL 2003 to UL 2013, the applicable entry fee for access service has been reduced. Under the UASL regime, in order to obtain a pan-India access license, a licensee would have had to pay an entry fee of Rs. 1658.57 crore, whereas under the UL regime they need to pay a maximum amount of Rs.15 crore as entry fee.

### **Other licenses**

- 2.11 As per the 2002 guidelines for the National Long Distance licenses, the licensee was required to pay one time non-refundable Entry Fee of Rs. 100 crores, before the signing the License Agreement. The Entry Fee for new NLD license was reduced from the existing level of Rs. 100 crore to Rs. 2.5 crore through DoT press release dated 10.11.2005, with a view to promote growth of NLD service and also encouraging competition. The

UL 2013 guidelines also prescribed an entry fee of Rs. 2.5 crore, for a PAN-India NLD license.

2.12 As per the 2002 guidelines for International Long Distance licenses, the applicant company was required to pay one time non-refundable Entry Fee of Rs 25 crores before the signing of the license. Entry Fee for ILD was reduced from Rs. 25 crore to Rs. 2.5 crore through DoT press release dated 10.11.2005 to promote growth and competition in this segment. The UL 2013 guidelines also prescribed an entry fee of Rs. 2.5 crore for a pan-India ILD license.

2.13 The Internet Service Provider (ISP) sector was opened to private operators in 1998. A supportive policy with no entry fee was adopted to promote growth and encourage internet penetration. ISPs were allowed to offer internet telephony w.e.f. April, 2002 and no entry fee was charged for the same. The ISP license of 24.08.2007 prescribed an entry fee of Rs. 20 lakh for ISP-A and Rs.10 lakh for ISP-B. On 25 Jan 2010, DoT revised the license terms of ISP License on 24 Aug 2007 and prescribed a fee of Rs. 30 lakh for ISP-A and Rs.15 lakh for ISP-B. The validity of license was also increased from 15 to 20 years. The UL 2013 guidelines prescribed an entry fee of Rs. 30 lakh for ISP-A, Rs.2 lakh for ISP-B, and Rs. 20 thousand for ISP-C licenses.

2.14 DoT, through its letter dated 03.03.2022, expressed the view that the Entry Fee should be reduced across all authorizations, and further stated that the Entry Fee should be made uniform across all authorizations. There are thus two issues involved related to Entry Fee. The initial analysis focusses on the rationalisation of Entry Fee, and the subsequent section deals with the issue of a common entry fee across all authorizations.

- 2.15 While entry fees are imposed to reckon for use of public resources as well as to inhibit non-serious players, they also increase the entry costs for the prospective entrants. This can have implications for the level of competition in the sector. Hence, it becomes essential that the entry fee must be set at an optimal level.
- 2.16 The Access Service segment is the largest authorization in terms of revenue and subscriber base and the LSA-wise as well as pan-India entry fee is highest for this authorization. This segment has witnessed a decline in the number of players, from around 8 players in each license service area, to 5 by 2018 and further to 4 at present. While it is not clear whether the level of entry fee has an impact on the uptake of licenses, the moot question is whether the present level of entry fee is appropriate in the context of reduced number of access service providers.
- 2.17 A reduction/ rationalization of the level of entry fee for different licenses is likely to send a positive signal to potential investors in terms of ease of doing business. However, any such reduction will also entail removing the floor of 10% of entry fee that is currently chargeable as license fee from the second year onwards for the authorizations under the Unified License. It is to be noted that the level of entry fee in India is not at a very high level at present, specially considering the capital expenditures involved in operationalizing the different licenses/ authorizations.
- 2.18 A comparison of the conditions of entry (and entry fees) internationally is presented at **Appendix-IV**. It is noted from the table therein that the entry fees are either not levied or are kept at a low level in these jurisdictions.
- 2.19 The following questions arise for consultation in this context:

**Q1. Should the entry fee be rationalised from the present levels in the UL and UL (VNO) licenses? Please support your comments with detailed justification.**

**Q2. If the answer to Q1 is yes, should the entry fee be rationalized across all authorizations or some specific authorizations, both within each license and across licenses? Please justify.**

**Q3. What should be the methodology for arriving at the rationalized entry fee and/ or other terms and conditions for each authorization? Please provide the detailed rationale for each authorization.**

2.20 At present, the UASL, UL and UL (VNO) regimes provide different entry fee for the service authorizations under the respective licenses. DoT, in the letter dated 03.03.2022, has given the view that entry fee should be made uniform across all authorizations.

2.21 Some of the issues involved in making the fees uniform for UL and UL (VNO) are:

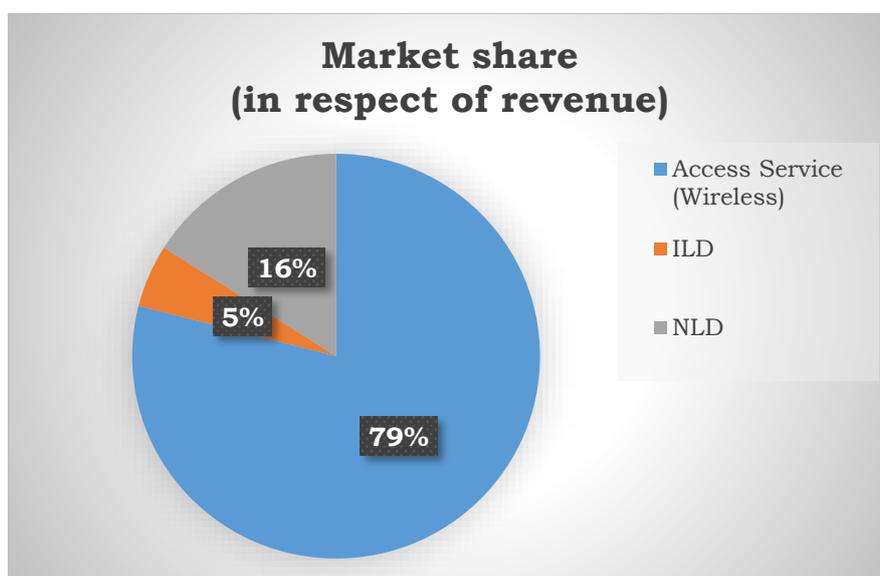
- i. Each authorization requires a distinct set of inputs to deliver a particular service to the customer, for example, access service providers can make use of spectrum, ILD service providers require cable landing stations etc., The variations in inputs required leads to difference in the technical requirements of various authorizations, and subsequently makes each authorizations different in terms of the manner in which it uses the public resources. Since the use of public

resources is one rationale for imposing entry fee, this becomes relevant for setting the level of entry fee.

- ii. The authorizations for various services also differ in terms of market share and financial parameters. The subscriber base, revenue, level of capital investment, return on investment etc., are different for each authorization. The relative sizes of the access, ILD and NLD segments in terms of gross revenue for FY 21 are given in Table 2.3. In terms of revenue, the size of access service authorization is around 15 and 5 times that of that of ILD and NLD service authorizations respectively.

**Table 2.3: Segment Size in terms of revenue**

	Segment			Total (Access+ILD +NLD)
	Access Service (Wireless)	ILD	NLD	
<b>Revenue for FY 21 (Rs. in Cr)</b>	188278.35	12915.88	38009.77	238885.52
<b>Market share</b>	79%	5%	16%	100%



**Table 2.4: Segment wise Capital Investment (Largest operator)**

	Segment		
	Access Service (Wireless)	ILD	NLD
<b>Capital employed (Rs. in Cr.) (Largest operator)</b>	75481	1211	7329
<b>Entry fee (Rs. in Cr.)</b>	15(Max)	2.5	2.5
<b>Entry Fee as a % of capital investment</b>	0.02%	0.2%	0.03%

\* Largest operator is the operator with highest capital employment in a particular segment.

- iii. Certain authorizations like NLD and ILD are pan-India, others like ISP-B are limited to LSA, whereas other authorizations like ISP-C are limited to SSA-level.
- iv. Even in the case of pan-India authorizations, the range of amounts levied as entry fee is quite wide, as given below:

**Table 2.5: Entry Fee range (UL)**

S. No.	Entry Fee (Pan-India)	Value (UL) (Rs. in cr.)
1	Maximum	15
2	Minimum	0.3
3	Range	14.7

**Table 2.6: Entry Fee range (UL-VNO)**

<b>S. No.</b>	<b>Entry Fee (Pan-India)</b>	<b>Value (UL-VNO) (Rs. in cr.)</b>
1	Maximum	7.5
2	Minimum	0.15
3	Range	7.35

**Licenses/ registrations/ authorisations/ permissions other than UL and UL (VNO)**

2.22 It may be noted that there are Licenses/ registrations/ authorisations/ permissions other than UL and UL (VNO). Some of these are discussed below:

- a) The mobile number portability (MNP) guidelines, 2008 prescribed a non-refundable entry fee of Rs. 1 crore for a MNP License.
- b) The INSAT-MSS guidelines, 2007 prescribed “Nil” entry fee for a INSAT-MSS License.
- c) The Guidelines for issue of license for commercial CUG VSAT service and captive CUG VSAT service, 2009 prescribed an entry fee of Rs 30 lakhs for each type of service i.e., commercial or captive VSAT. The TRAI in its recommendations dated 18.07.2017 recommended that the Entry Fee for Captive VSAT license may be reduced by 50% from Rs. 30 lakh to Rs. 15 lakh The entry fee for the service was revised downward to Rs 15 Lakh vide DoT’s letter dated 09.04.2021.
- d) As notified by DoT on 14.12.2018, in order to obtain an In Flight and Maritime Connectivity (IFMC) authorisation, there is no provision for entry fee. However, the applicant must pay a non-refundable application processing fee of Rupees Fifty thousand.
- e) The Wi-Fi access network interface (WANI) eco-system will be operated by different players one of which is Public Data Office Aggregator

(PDOA) which is an aggregator of Public Data Offices (PDOs) and performs the functions relating to authorization and accounting. PDOA can be any company registered under the Companies Act 2013. PDOA will be registered by DoT without payment of any registration fee.

- f) The registration of Other Service Providers (OSPs) was initially started by Department of Telecommunications (DOT) in the year 2000. As per the New Other Service Providers (OSPs) guidelines dated 05.11.2020, no registration certificate is required for OSP centres in India.

2.23 The summary of entry fee applicable to the above Licenses/ registrations/ authorisations/ permissions other than UL and UL (VNO) is given at Appendix-VII.

2.24 Whether the entry fee for these licenses/ registrations/ authorisations/ permissions should also be considered in the present rationalization exercise is a question for consideration.

**Issues For Consultation**

**Q4. Should a uniform Entry Fee be charged for each of the authorizations in the UL and UL (VNO) licenses, both within each license and across licenses? Please justify.**

**Q5. What should be the amount of the uniform Entry Fee for various authorizations? Please justify.**

**Q6. Should the Entry Fee in licenses/ registrations/ authorisations/ permissions, other than UL and UL (VNO) be rationalized? If yes, please provide the reasons and appropriate levels of entry fee for each of these licenses/ registrations/ authorisations/ permissions.**

## **CHAPTER-III: BANK GUARANTEES**

- 3.1 A bank guarantee is a type of financial backstop offered by a lending institution. The bank guarantee means that the lender will ensure that the liabilities of a debtor will be met. In other words, if the debtor fails to settle a debt, the bank will cover it.<sup>3</sup> According to the RBI, the bank guarantee is a commitment made by the issuing bank to make payment to the beneficiary.
- 3.2 Bank Guarantee ensures that the Telecom Service Providers pay their dues on time and fulfill their obligations as per the License's terms and conditions prescribed in agreement. Bank guarantee is a useful instrument to safeguard the interest of the government as in the case where telecom service provider defaults on his payment dues, or fails to fulfill its performance obligations or renew its bank guarantee then the government can encash the same to and recover all the dues.
- 3.3 Under the present Telecom License regime, there are two types of bank guarantees i.e. Financial Bank Guarantee and Performance Bank Guarantee. FBG covers the liabilities in respect of license fee and other dues not otherwise securitized, whereas PBG covers the violation of license conditions and ensures the performance under the license agreement.

### **Unified License**

- 3.4 In 1994, the government announced the National Telecom Policy under which Cellular Mobile Telephone services licenses were awarded to the private player and no entry fee was charged.

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<sup>3</sup> <https://www.investopedia.com/terms/b/bankguarantee.asp>

3.5 As per Financial Conditions of the License Agreement, 1994:

- a) Performance Bank Guarantee of Rs. 2 crore was to be executed before signing the License Agreement. It was valid for 3 years and was to be renewed by the licensee 4 months prior to its expiry.
- b) Financial Bank Guarantee equivalent to 90% of the first's year license fee was required before signing the License Agreement, valid for 1 year. Subsequent continuance of this FBG shall be decided by the telegraph authority.

3.6 Under the new CMTS license issued in 2001, the following financial condition regarding PBG and FBG was mentioned:

- a. Performance Bank Guarantee in the prescribed format was to be submitted for an amount equal to Rs. 20/10/2 crore (for category 'A' / 'B' / 'C' service areas) before signing the License Agreement.  
Further, the licensee was permitted to reduce the value of the PBG by 50 % after the coverage criteria prescribed in this license is fulfilled.
- b. Financial Bank Guarantee was to be submitted for an amount equal to 50/25/5 crore (for category 'A'/ 'B'/ 'C' service areas) initially, before signing the License Agreement.  
Subsequently, the amount of FBG was to be equivalent to the estimated sum payable annually towards the license fee and other dues not otherwise securitized. The amount of FBG was subject to periodic review by Licensor.

3.7 Under the New Telecom Policy 1999, Unified Access Services License was introduced. UASL is a combination of CMSP, Fixed Service Providers, and Cable Service Providers License<sup>4</sup>. Following were the provisions for the licensee to submit both bank guarantees:

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<sup>4</sup> <https://dot.gov.in/new-telecom-policy-1999>

- a) Performance Bank Guarantee in the prescribed format was to be submitted for an amount equal to Rs. 20/10/2 crore (for category 'A' / 'B' / 'C' service areas) before signing the License Agreement. Further, on completion of one year from the effective date of license and after meeting the coverage criteria stipulated for the first year, the PBG was to be reduced to 10/5/1 crore for category 'A' / 'B' / 'C' service areas on self-certification basis provided by the Licensee. On fulfilling the rollout obligations as stipulated in Clause 34, the balance PBG was released on receipt of test certificate/ test certificates issued by TEC in respect of coverage.
- b) Financial Bank Guarantee was to be submitted for an amount equal to 50/25/5 crore (for category 'A'/'B'/'C' service areas) initially, before signing the License Agreement. Subsequently, the amount of FBG was to be equivalent to the estimated sum payable equivalent to License Fees for two quarters and other dues not otherwise securitized.

3.8 NTP 1999 envisaged the opening-up of the National Long Distance service beyond the service area to private operators for competition with effect from January 1, 2000. As per the Guidelines issued on 14 December 2005, FBG of Rs. 20 crore was required to be submitted one year after the date of signing the license agreement or before the commencement of service whichever is earlier. Initially, FBG was valid for a period of one year and was to be renewed from time to time for such amount as may be directed by the Central Government.

3.9 NTP 1999 also envisaged the opening-up of the International long distance service to private operators. The Government had decided to open the International Long-Distance Service without any restriction on the number of operators. This service commenced from 1st April 2002.

Before signing the License Agreement, Licensee had to submit the unconditional BG of Rs. 25 crore, which will be released on fulfillment of the roll-out obligations.

3.10 Along with this ILD licensee also had to submit the FBG of Rs 20 crore one year after the date of signing the license agreement or before the commencement of service, whichever is earlier. The FBG was valid for a period of six months and renewed from time to time for such amount as may be directed by the Licensor. The amount of FBG was equivalent to the estimated sum payable for two quarters towards the license fee.

3.11 Under the UL regime, the licensee was required to submit both bank guarantees as per the following clauses mentioned under the Unified License:

a) *Performance Bank Guarantee .....shall be submitted separately for each service and service area for the amount as per **Appendix-II**, subject to a maximum of Rs 220 Crore initially, before signing the License Agreement or subsequent authorization of service(s), as the case may be, valid for one year, from any scheduled bank or public financial institution duly authorized to issue such bank guarantee, to cover violation of license conditions and to ensure the performance under the license agreement including compliance of instructions issued by the Licensor from time to time. The PBGs shall be maintained and kept valid by the licensee during the entire currency of the license agreement. However, the Licensor may increase the value of PBGs whenever any demand is raised for non-compliance of terms and conditions of License/ authorization to the extent it remains unsecuritized by the existing PBGs, which shall be maintained till clearance of such demand by the licensee.*

b) *Financial Bank Guarantee shall be submitted separately for each service and service area for the amount as per **Appendix-II**, subject to a*

*maximum of Rs 44 Crore initially before signing the License Agreement or subsequent authorization of service(s), as the case may be, valid for one year, from any Scheduled Bank or Public Financial Institution duly authorized to issue such Bank Guarantee..... 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 amount of FBG shall be subject to periodic review on six-monthly basis by the Licensor and shall be renewed from time to time.*

c) Other conditions of Bank Guarantees are mentioned under:

- i. Initially, the Bank Guarantees (FBG as well as PBG) shall be valid for a period of one year and shall be renewed from time to time. The Licensee, on its own, shall extend the validity period of the Bank Guarantees at least one month prior to the date of its expiry without any demand or notice from the Licensor on year-to-year basis. Any failure to do so shall amount to violation of the terms of the License and entitle the Licensor to encash the Bank Guarantees and to convert into a cash security without any reference to the Licensee at his risk and cost. No interest or compensation whatsoever shall be payable by the Licensor on such encashment.*
- ii. Where the Bank Guarantees have been encashed partially, the licensee on such occasions, shall restore the encashed guarantees to the full amount. Any failure to do so shall amount to violation of the terms and conditions of the license.*
- iii. Without prejudice to its rights of any other remedy, Licensor may encash Bank Guarantee (FBG as well as PBG) in case of any breach in terms & conditions of the License by the Licensee.*

3.12 As per the condition 5.1 of chapter-I of the UL agreement, the Licensor reserves the right to modify at any time the terms and conditions of

License, if in the opinion of the Licensor it is necessary or expedient to do so in the public interest or the interest of the security of the state or for the proper conduct of the telegraphs. In pursuance of this condition, the Licensor has reduced the amount of bank guarantees by 80%, while keeping rest of the conditions same. Amended Bank Guarantees amount are enclosed in **Appendix-V**.

- 3.13 Some of the issues involved in the merger of BGs in the case of UL:
- a) Nature of both bank guarantees: FBG covers the liabilities in respect of license fee and other dues not otherwise securitized, whereas PBG covers the violation of license conditions and ensure the performance under the license agreement.
  - b) FBG is reviewed in every six months and the amount of FBG is determined for 6 months whereas PBG amount is determined for 1 year.
  - c) Other dues which are not securitized.
  - d) Coverage of Liquidity damages.

#### **Unified License (Virtual Network Operators)**

- 3.14 Under UL (VNO), there is no PBG prescribed as Licensees would not be forced to create infrastructure therefore no rollout obligations may be cast upon Licensees.
- 3.15 The following financial conditions were mentioned for FBG under UL (VNO):

The Licensee was required to submit Financial Bank Guarantee separately for each service and service area for the amount as per below **Appendix-III**, subject to maximum of 22 crores initially before signing the License Agreement or subsequent authorization of service(s), as the case may be, valid for one year, from any Scheduled

Bank or Public Financial Institution duly authorized to issue such Bank Guarantee, in the prescribed Proforma of this license agreement. Subsequently, the amount of FBG was to be equivalent to the estimated sum payable equivalent to the License fee for two quarters and other dues not otherwise securitized. The amount of FBG was subject to periodic review on six-monthly basis by the Licensor, i.e. CCAs/DoT and was to be renewed from time to time.

3.16 Other conditions of Financial Bank Guarantee are mentioned under:

- i. *Initially, the Bank Guarantee (FBG) shall be valid for a period of one year and shall be renewed from time to time. The Licensee, on its own, shall extend the validity period of the Bank Guarantees at least one month prior to the date of its expiry without any demand or notice from the Licensor on year-to-year basis. Any failure to do so, shall amount to violation of the terms of the License and entitle the Licensor to encash the Bank Guarantees and to convert into a cash security without any reference to the Licensee at his risk and cost. No interest or compensation whatsoever shall be paid/payable by the Licensor on such encashment.*
- ii. *Where the Bank Guarantees have been encashed partially, the licensee on such occasions, shall restore the encashed guarantees to the full amount. Any failure to do so shall amount to violation of the terms and conditions of the license.*
- iii. *Without prejudice to its rights of any other remedy, Licensor may encash Bank Guarantee (FBG) in case of any breach in terms & conditions of the License by the Licensee.*

3.17 **As per Telecom Reforms 2021 Bank Guarantees clause is amended:**

As per the condition 5.1 of chapter-I of the UL (VNO) agreement, the Licensor reserves the right to modify at any time the terms and

conditions of the License, if in the opinion of the Licensor it is necessary or expedient to do so in the public interest or the interest of the security of the state or for the proper conduct of the telegraphs. In pursuance of this condition, the Licensor has reduced the number of bank guarantees by 80% while keeping rest of the conditions same. Amended Bank Guarantees amount are enclosed in **Appendix-VI**.

**Licenses/ Registrations/ Authorisations/ Permissions other than UL and UL (VNO)**

- 3.18 **Captive mobile radio trunking service (CMRTS) License:** In pursuance to the Telecom Reforms of September, 2021, the FBG under the CMRTS license has been reduced by 80% and the conditions under the license are that the licensee is required to submit a Financial Bank Guarantee (FBG) of Rupees twenty thousand initially before signing the license agreement valid for one year, from any scheduled bank in India or Indian Public Financial Institution (IPFI). Subsequently, the amount of FBG will be equivalent to 20% of the estimated sum payable (of license fee for two quarters and other dues not otherwise securitized).
- 3.19 **Mobile number portability License:** Pursuant to the telecom reforms announced by the government on 15th September 2021, the terms and conditions of bank guarantees have been amended vide DoT's letter dated 19<sup>th</sup> January 2022 addressed to all MNP licensees. Following are the amended conditions under this license:
- i. *Performance Bank Guarantee : PBG shall be submitted for an amount equal to Rs.20 Lakh, initially, valid for two years before signing the License Agreement. On completion of one year from successful commencement of operation of MNP service in the licensed MNP zone on the designated date/ time by the Licensee, except in case specifically restricted by Licensor/DoT, 50 % of the PBG amount shall be released while the remaining 50 % of the PBG shall be released after the expiry of the license period.*

ii. *Financial Bank Guarantee: The Licensee shall submit FBG, valid for three years, from any Scheduled Bank or Public Financial Institution duly authorized to issue such Bank Guarantee..... Initially, the financial bank guarantee shall be for an amount of Rs.40 Lakh which shall be submitted before signing the License Agreement. Subsequently, the amount of FBG shall be equivalent to 20 % of the estimated sum payable (of License Fee for two quarters and other dues not otherwise securitized and any additional amount as deemed fit by the Licensor). The amount of FBG shall be subject to periodic review by the Licensor and shall be renewed from time to time.*

3.20 **Captive Very Small Aperture Terminal License:** The terms and conditions of bank guarantees have been amended vide DoT's letter dated 9<sup>th</sup> April 2021 addressed to all Captive VSAT licensees stating that the licensee is required to submit a Financial Bank Guarantee of Rupees fifteen lakhs, initially before signing the license agreement valid for one year, from any scheduled bank in India. Subsequently, the amount of FBG will be equivalent to the license fee for two quarters and the amount of FBG will be subject to periodic review on six-monthly basis by the Licensor.

3.21 **Registration of Other Service Providers:** As per the revised guidelines for OSPs dated 23<sup>rd</sup> June 2021 issued by DoT, there is no bank guarantee required under this registration.

3.22 **Public Data Office Aggregator registration:** PDOAs aggregate the multiple WANI-enabled Wi-Fi Access Points being operated by individual PDOs and authorize the subscribers, authenticated by the App Provider, to access internet services using either free or paid model. There is no bank guarantee under this registration.

- 3.23 **In-Flight and Maritime Connectivity authorization:** IFMC service provider can establish, maintain, work telegraph to provide wireless voice or data or both type of telegraph messages on ships within India territorial waters and on aircraft within or above India or India territorial waters. There is no bank guarantee under this authorization. However, the annual fee of rupee one is payable on annual basis to DoT through Bharatkosh.
- 3.24 The summary of bank guarantees applicable to the above Licenses/ registrations/ authorisations/ permissions is given at Appendix-VII.
- 3.25 In this context, the merger and review of bank guarantees in the aforementioned licenses and any other licenses/registrations/ authorisations/ permissions, other than UL and UL (VNO) could also be considered.

#### **Issues For Consultation**

- Q7. Is there a need to continue with the practice of the Bank Guarantee in various licenses/authorizations? Please Justify.**
- Q8. If the answer to Q7 is no, then what practice should be followed to secure the Government dues and performance of service providers?**
- Q9. Is there any justification for merging the two bank guarantees i.e., Financial Bank Guarantee and Performance Bank Guarantee? Please give detailed justification.**
- Q10. What should be the methodology to calculate the amount of merged Bank Guarantee? Please Justify. What should be associated terms and conditions with reference to financial and performance parameters?**

- Q11. What should be the amount of merged bank guarantee that should be made applicable for new entrants during the first year? Please justify.**
- Q12. What should be the methodology to review the merged Bank Guarantee and after how much time? Please justify. In case of failure to meet only performance parameters or only financial parameters what should be the methodology for partial encashment of BG?**
- Q13. Should the merged bank guarantees be applicable for new entrants as well as existing licensees other UL/UL(VNO)? Please give justification for your response.**
- Q14: Is there any need to merge or review the bank guarantee for the licenses/ registrations/ authorisations/ permissions other than UL and UL (VNO)? Please justify.**

#### **CHAPTER-IV: ISSUES FOR CONSULTATION**

- Q1. Should the entry fee be rationalised from the present levels in the UL and UL (VNO) licenses? Please support your comments with detailed justification.**
- Q2. If the answer to Q1 is yes, should the entry fee be rationalized across all authorizations or some specific authorizations, both within each license and across licenses? Please justify.**
- Q3. What should be the methodology for arriving at the rationalized entry fee and/ or other terms and conditions for each authorization? Please provide the detailed rationale for each authorization.**
- Q4. Should a uniform Entry Fee be charged for each of the authorizations in the UL and UL (VNO) licenses, both within each license and across licenses? Please justify.**
- Q5. What should be the amount of the uniform Entry Fee for various authorizations? Please justify.**
- Q6. Should the Entry Fee in licenses/ registrations/ authorisations/ permissions, other than UL and UL (VNO) be rationalized? If yes, please provide the reasons and appropriate levels of entry fee for each of these licenses/ registrations/ authorisations/ permissions.**
- Q7. Is there a need to continue with the practice of the Bank Guarantee in various licenses/authorizations? Please Justify.**

- Q8. If the answer to Q7 is no, then what practice should be followed to secure the Government dues and performance of service providers?**
- Q9. Is there any justification for merging the two bank guarantees i.e., Financial Bank Guarantee and Performance Bank Guarantee? Please give detailed justification.**
- Q10. What should be the methodology to calculate the amount of merged Bank Guarantee? Please Justify. What should be associated terms and conditions with reference to financial and performance parameters?**
- Q11. What should be the amount of merged bank guarantee that should be made applicable for new entrants during the first year? Please justify.**
- Q12. What should be the methodology to review the merged Bank Guarantee and after how much time? Please justify. In case of failure to meet only performance parameters or only financial parameters what should be the methodology for partial encashment of BG?**
- Q13. Should the merged bank guarantees be applicable for new entrants as well as existing licensees other UL/UL(VNO)? Please give justification for your response.**
- Q14. Is there any need to merge or review the bank guarantee for the licenses/ registrations/ authorisations/ permissions other than UL and UL (VNO)? Please justify.**
- Q15. Any other relevant issue that you would like to highlight in relation to the above issues?**

## Appendix-I

F. No. 20-577/2016-AS-I Vol.-III  
Ministry of Communications  
Department of Telecommunications  
(Access Service Wing)  
20, Ashoka Road, Sanchar Bhawan, New Delhi

Dated the 3<sup>rd</sup> March, 2022

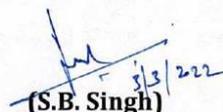
**Subject: Rationalization of Entry Fees and Bank Guarantees in Unified License (UL)/ Unified License (Virtual Network Operators) License- seeking recommendations of TRAI- reg**

As per the current Unified License (UL)/ Unified License (Virtual Network Operators) regime, there is a provision of different Entry Fees and two separate bank guarantees (BGs) i.e., Financial Bank Guarantee (FBG) and Performance Bank Guarantee (PBG) for each service authorization. The details of prescribed Entry Fees and Bank Guarantees are attached as Annexure.

2. The Department is of the view that the Entry Fees should be reduced and made uniform across all authorizations. In case of BGs, both FBG & PBG should be merged and amount of single BG may be prescribed for each authorization.

3. Therefore, TRAI is requested to submit its recommendations under Section 11 (1) (a) of TRAI Act, 1997 (as amended) on this issue.

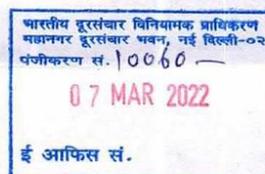
**Encl.: As above.**

  
(S.B. Singh)

Deputy Director General (AS)  
Phone: 23036918

To

**The Secretary**  
**Telecom Regulatory Authority of India,**  
Mahanagar Doorsanchar Bhawan,  
Jawaharlal Nehru Marg (Old Minto Road)  
New Delhi - 110002.



Unified License (UL)

**Annexure  
Details of Minimum Equity, Minimum Networth, Entry Fee, PBG, FBG and  
Application Processing Fee for various service authorizations**

Sl No.	Service	Minimum Equity (Rs. Cr.)	Minimum Networth (Rs. Cr.)	Entry Fee (Rs. Cr.)	PBG (Rs. Cr.)	FBG (Rs. Cr.)	Application Processing Fee (Rs. Cr.)
1	UL(All services)	25.000	25.000	15.000	44.000	8.800	0.010
Service Authorization wise requirements							
1	Access Service (Telecom Circle / Metro Area)	2.500	2.500	1.000 (0.5 for NE & J&K)	2.000	0.400	0.005
2	NLD (National Area)	2.500	2.500	2.500	0.500	1.000	0.005
3	ILD (National Area)	2.500	2.500	2.500	0.500	1.000	0.005
4	VSAT (National Area)	Nil	Nil	0.300	0.100	0.060	0.005
5	PMRTS (Telecom circle/Metro)	Nil	Nil	0.005	0.002	0.002	0.0015
6	GMPCS (National Area)	2.500	2.500	1.000	0.500	0.200	0.005
7	ISP "A" (National Area)	Nil	Nil	0.300	0.400	0.020	0.005
8	ISP "B" (Telecom circle/Metro Area)	Nil	Nil	0.020	0.020	0.002	0.0015
9	ISP "C" (SSA)	Nil	Nil	0.002	0.001	0.0002	0.001
10	Audio Conferencing/ Audiotex/ Voice mail service	Nil	Nil	0.100	0.02	0.002	0.0015
11	Machine to Machine 'A' (National Area)	Nil	Nil	0.30	0.400	0.020	0.005
12	Machine to Machine 'B' (Telecom circle/ Metro Area)	Nil	Nil	0.020	0.020	0.002	0.0015
13	Machine to Machine 'C' (SSA)	Nil	Nil	0.002	0.001	0.0002	0.001

UL(VNO)

Annexure

Details of Minimum Equity, Minimum Networth and Entry Fee for various service authorizations

Sl. No.	Service Authorization(s) (VNO)	Minimum Equity (Rs. Cr.)	Minimum Networth (Rs. Cr.)	Entry Fee (Rs. Cr.)	FBGs (Rs. Cr.)	Application processing Fee (Rs. Cr.)
1	UL(VNO-All services)	10.0	10.0	7.5	4.400	0.010
2	Access Service (Telecom Circle / Metro Area)	1.0	1.0	0.5 (0.25 for NE & J&K)	0.200	0.005
3	NLD (National Area)	1.000	1.000	1.250	0.500	0.005
	ILD (National Area)	1.000	1.000	1.250	0.500	0.005
5	VSAT (National Area)	Nil	Nil	0.150	0.030	0.005
6	PMRTS (Telecom circle/Metro)	Nil	Nil	0.0025	0.001	0.0015
7	GMPCS (National Area)	1.000	1.000	0.500	0.100	0.005
8	ISP "A" (National Area)	Nil	Nil	0.150	0.010	0.005
9	ISP "B" (Telecom circle/Metro Area)	Nil	Nil	0.010	0.001	0.0015
10	ISP "C" (SSA)	Nil	Nil	0.001	0.0001	0.001
11	Resale of IPLC	1.250	1.250	0.500	0.100	0.005
12.	Access Service Cat B	-	0.050	0.0165	0.002	0.001
13	Machine to Machine 'A' (National Area)	Not prescribed	Not prescribed	0.150	0.010	0.005
14	Machine to Machine 'B' (Telecom circle/ Metro Area)	Not prescribed	Not prescribed	0.010	0.001	0.0015
15	Machine to Machine 'C' (SSA)	Not prescribed	Not prescribed	0.001	0.0001	0.001

**Appendix-II****Details of Entry Fee, PBG and FBG for various service authorizations under Unified License**

<b>S.No.</b>	<b>Service</b>	<b>Entry Fee (Rs. in Cr.)</b>	<b>PBG (Rs. in Cr.)</b>	<b>FBG (Rs. in Cr.)</b>
1	UL(All services)	15.000	220.000	44.000
<b>Service Authorization wise requirements</b>				
1.	Access Service (Telecom Circle / Metro Area)	1.000 (0.5 for NE & J&K)	10.000	2.000
2.	NLD (National Area)	2.500	2.500	5.000
3.	ILD (National Area)	2.500	2.500	5.000
4.	VSAT (National Area)	0.300	0.500	0.300
5.	PMRTS (Telecom circle/Metro)	0.005	0.010	0.010
6.	GMPCS (NationalArea)	1.000	2.500	1.000
7.	ISP "A" (National Area)	0.300	2.000	0.100
8.	ISP "B" (Telecom circle/Metro Area)	0.020	0.100	0.010
9.	ISP "C" (SSA)	0.002	0.005	0.001
10.	Audio conferencing/ Audiotex/ Voice mail service	0.100		
11.	Machine to Machine 'A' (National Area)	0.30		
12.	Machine to Machine 'B' (Telecom circle/ Metro Area)	0.02		
13.	Machine to Machine 'C' (SSA)	0.002		

### Appendix-III

#### Details of Entry Fee and FBG for various service authorizations under Unified License (VNO)

S.No.	Service Authorization(s) (VNO)	Entry Fee (Rs. in Cr.)	FBGs (Rs. in Cr.)
1.	UL(VNO-All services)	7.5	22.0
<b>Service Authorization wise requirements</b>			
2.	Access Service (Telecom Circle / Metro Area)	0.5 (0.25 for NE & J&K)	1.0
3.	NLD (National Area)	1.25	2.5
4.	ILD (National Area)	1.25	2.5
5.	VSAT (National Area)	0.15	0.15
6.	PMRTS (Telecom circle/Metro)	0.0025	0.005
7.	GMPCS (National Area)	0.5	0.5
8.	ISP "A" (National Area)	0.15	0.05
9.	ISP "B" (Telecom circle/MetroArea)	0.010	0.005
10.	ISP "C" (SSA)	0.001	0.0005
11.	Resale of IPLC	0.5	0.5
12.	Access Service Cat B	0.0165	
13.	Machine to Machine 'A' (National Area)	0.150	
14.	Machine to Machine 'B' (Telecom circle/ Metro Area)	0.010	
15.	Machine to Machine 'C' (SSA)	0.001	

## **Appendix-IV**

### **International Analysis of Entry fee regime**

<b>S.no</b>	<b>Country</b>	<b>Details regarding entry fee</b>
1	Australia	The current fee for an application for a Carrier License is AUD 2,076. This fee covers the cost of processing the application.
2	USA	<p>Wireless Applicants as per their license have to pay the following fees:</p> <ul style="list-style-type: none"><li>• Geographic fees</li><li>• Site based fees</li><li>• Personal and amateur fees</li><li>• Transaction fees</li></ul> <p>The Wireless Telecommunications Bureau processes applications for almost all wireless services, from fixed microwave links to amateur radio to mobile broadband services<sup>5</sup>. The current application fee schedule consists of separate application fees for 19 different categories of wireless licenses as well as a separate category for experimental radio services, with each category containing multiple fees<sup>6</sup></p>
3	France	Electronic communications operators have general authorization to operate in France and do not require a license, permit, consent, etc. This concept of general authorization is derived from the European Authorization Directive.

<sup>5</sup> <https://www.federalregister.gov/documents/2020/10/15/2020-21530/schedule-of-application-fees>

<sup>6</sup> <https://www.fcc.gov/wireless/systems-utilities/universal-licensing-system/wireless-fees>

4	China	Application for a BTS or VATS license is free of charge.
5	UK	<p>Communication providers have general authorization to operate in the UK and do not require a license, permit, consent etc.</p> <p>Mobile operators (and other users of spectrum) do require a license from Ofcom in order to install certain mobile network equipment.</p>

**Appendix-V**

**Details of Entry Fee, PBG and FBG for various service authorizations  
under Unified License (Amended)**

<b>S.No.</b>	<b>Service</b>	<b>Entry Fee (Rs. in Cr.)</b>	<b>PBG (Rs. in Cr.)</b>	<b>FBG (Rs. in Cr.)</b>
1	UL(All services)	15.000	44.000	8.800
<b>Service Authorization wise requirements</b>				
1	Access Service (Telecom Circle / Metro Area)	1.000 (0.5 for NE & J&K)	2.000	0.400
2	NLD (National Area)	2.500	0.500	1.000
3	ILD (National Area)	2.500	0.500	1.000
4	VSAT (National Area)	0.300	0.100	0.060
5	PMRTS (Telecom circle/Metro)	0.005	0.002	0.002
6	GMPCS (NationalArea)	1.000	0.500	0.200
7	ISP "A" (National Area)	0.300	0.400	0.020
8	ISP "B" (Telecom circle/Metro Area)	0.020	0.020	0.002
9	ISP "C" (SSA)	0.002	0.001	0.0002
10	Audio conferencing/ Audiotex/ Voice mail service	1.000	0.02	0.002
11	Machine to Machine 'A' (National Area)	0.30	0.400	0.020
12	Machine to Machine 'B' (Telecom circle/ Metro Area)	0.02	0.02	0.002
13	Machine to Machine 'C' (SSA)	0.002	0.001	0.0002

**Appendix-VI****Details of Entry Fee and FBG for various service authorizations under Unified License (VNO) (Amended).**

<b>S.No.</b>	<b>Service Authorization(s) (VNO)</b>	<b>Entry Fee (Rs. in Cr.)</b>	<b>FBGs (Rs. in Cr.)</b>
1	UL(VNO-All services)	7.5	4.40
<b>Service Authorization wise requirements</b>			
2	Access Service (Telecom Circle / Metro Area)	0.5 (0.25 for NE & J&K)	0.20
3	NLD (National Area)	1.25	0.5
4	ILD (National Area)	1.25	0.5
5	VSAT (National Area)	0.15	0.03
6	PMRTS (Telecom circle/Metro)	0.0025	0.001
7	GMPCS (National Area)	0.5	0.1
8	ISP "A" (National Area)	0.15	0.010
9	ISP "B" (Telecom circle/Metro Area)	0.010	0.001
10	ISP "C" (SSA)	0.001	0.0001
11	Resale of IPLC	0.5	0.1
12	Access service category B	0.0165	0.002
13	Machine to Machine 'A' (National Area)	0.150	0.010
14	Machine to Machine 'B' (Telecom circle/Metro Area)	0.010	0.001
15	Machine to Machine 'C' (SSA)	0.001	0.0001

**Licenses/ Registrations/ Authorisations/ Permissions  
other than UL and UL (VNO)**

<b>Licenses/ Registrations/ Authorisations/ Permissions</b>	<b>Entry Fee</b>	<b>FBG</b>	<b>PBG</b>
<b>CMRTS License</b>	Not applicable	Initially, Rs. 20,000 and the subsequent amount is equal to 20% of estimated sum payable (of license fee for two quarters and other dues not otherwise securitized)	Not applicable
<b>MNP License</b>	Non-refundable entry fee of Rs. 1 crore	Initially, Rs. 40,00,000 and the subsequent amount is equal to 20 % of the estimated sum payable (of License Fee for two quarters and other dues not otherwise securitized and any additional amount as deemed fit by the Licensor).	Rs. 20,00,000
<b>Captive VSAT license</b>	Entry Fee is equal to Rs. 15,00,000 for this license	Initially, Rs. 15,00,000 and the subsequent amount is equal to license fee for two quarters.	Not applicable
<b>OSPs registration</b>	Not applicable	Not applicable	Not applicable
<b>PDOAs registration</b>	Not applicable	Not applicable	Not applicable
<b>IFMC authorization</b>	Not applicable	Not applicable	Not applicable