

Letter No. – INPL/TRAI/CP/2024/01

07-08-2024

To,

Shri Akhilesh Kumar Trivedi,  
Advisor (Network, Spectrum and Licensing),  
Telecom Regulatory Authority of India,  
4th, 5th, 6th & 7th Floor, Tower-F,  
World Trade Centre, Nauroji Nagar,  
New Delhi: 110029

**Sub: - INPL Response to the TRAI Consultation Paper on the Framework for Service Authorizations to be Granted under the Telecommunication Act, 2023.**

Respected Sir,

This is with reference to the Consultation Paper on the “Framework for Service Authorizations to be Granted under the Telecommunication Act, 2023” released by TRAI on July 11, 2024.

In this regard, please find enclosed INPL response to the Consultation Paper.

We hope that our submission will merit your kind consideration and support.

Thanking you,

For Ishan Netsol Private Limited

**For, Ishan Netsol Pvt. Ltd.**

  
**Authorised Signatory.**



Authorized Signatory

CC:

1. Shri Anil Kumar Lohati, Chairman, TRAI, 4th, 5th, 6th & 7th Floor, Tower-F, World Trade Centre, Nauroji Nagar, New Delhi: 110029
2. Shri Atul Kumar Chaudhary, Secretary, TRAI, 4th, 5th, 6th & 7th Floor, Tower-F, World Trade Centre, Nauroji Nagar, New Delhi: 110029

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**TRAI Consultation Paper on "the Framework for Service Authorizations to be Granted Under the Telecommunications Act, 2023 " Response by Ishan Netsol Pvt Ltd as below**

**Q1. For the purpose of granting authorisations under Section 3(1) of the Telecommunications Act, 2023, whether the Central Government should issue an authorisation to the applicant entity, as is the international practice in several countries, in place of the extant practice of the Central Government entering into a license agreement with the applicant entity? In such a case, whether any safeguards are required to protect the reasonable interests of authorized entities? Kindly provide a detailed response with justifications.**

**Response:**

In line with the regulations outlined in the recently enacted Telecommunications Act 2023, particularly Section 3, there is an obligation upon any individual or entity intending to offer telecommunication services to obtain authorization from the Government. This authorization is subject to specified terms, conditions, as well as prescribed fees or charges. As per the provisions of the new Act, the Central Government is obligated by statute to grant permission for the provision of telecom services through the issuance of authorization, regardless of global practices.

Yes safeguards are required to protect the reasonable interests of the proposed Authorized Entities.

In the previous stage, the Licensor, i.e., DoT, grants services through a license agreement with Licensees who intend to offer these services. The terms and conditions of this license agreement are set by TRAI under Section 11 of the TRAI Act and approved by the Government. Any adjustments to the terms and conditions of the license agreement necessitate consultation with TRAI, which then makes recommendations after consulting all stakeholders. This process ensures checks and balances and provides reasonable regulatory certainty when a licensee signs the agreement. Due to the requirement of Section 11 of the TRAI Act, the Central Government has referred to TRAI to recommend the terms and conditions of the Rules under the new Act for telecom services provision. To protect the interests of the proposed Authorized Entities, the draft terms and conditions of the Authorization should explicitly state that any changes will only occur after following the process mandated under Section 11 of the TRAI Act, involving consultation with TRAI. This approach will introduce regulatory certainty and transparency, eliminating the possibility of unilateral changes in the authorization terms and significantly safeguarding the interests of the proposed Authorized Entities.

The terms and conditions of entry and operation for authorised entities should be comparable and/or better to those of existing licensees. This ensures fair competition and prevents any entity from having an undue advantage. If necessary, the government should amend the terms and conditions of existing licenses to align them with the new authorisation regime. This will help in maintaining parity and fairness in the market.

**Q2. Whether it will be appropriate to grant authorisations under Section 3(1) of the Telecommunications Act, 2023 in the form of an authorisation document containing the**

**essential aspects of the authorisation, such as service area, period of validity, scope of service, list of applicable rules, authorisation fee etc., and the terms and conditions to be included in the form of rules to be made under the Telecommunications Act, 2023 with suitable safeguards to protect the reasonable interests of the authorised entities in case of any amendment in the rules? Kindly provide a detailed response with justifications.**

**Response:**

We are of the opinion that it would not be appropriate to include only the basic elements of the authorization, such as service area, period of validity, scope of service, list of applicable rules, authorization fee etc., while leaving the rest of the terms and conditions to be incorporated in the form of Rules to be made under the Telecommunications Act, 2023. This approach could result in ambiguity, uncertainty, and lack of transparency. We firmly believe that the Authorization document under the new Act, equivalent to the license agreement under the old Act, should encompass all the terms and conditions of such authorization in the interest of transparency and business/regulatory certainty. The provision of telecom service involves substantial infrastructure, making it crucial to have regulatory certainty in the terms of Authorization for these services.

Referring to any applicable Rules would render the Authorization document vague and uncertain. Any applicable Rules relevant to the grant of such Authorization or that include terms of such authorization should be governed by the existing provisions of the new Telecom Act as well as Section 11 of the TRAI Act to protect the interests of the proposed Authorized Entities. Additionally, Rules should only be promulgated after consulting TRAI in accordance with Section 11 of the Act. Any changes in the applicable Rules prescribing terms and conditions of the Authorization should follow the process under Section 11 of the TRAI Act, and the same needs to be explicitly mentioned in the terms and conditions of Authorizations for services as well as in the Rules.

Furthermore, all applicable Rules that form part of or impact the terms and conditions under which Authorization will function/operate and the service will be provided by the Authorized Entities should be established only after due consultation with TRAI under Section 11 of the TRAI Act, and any changes in the terms and conditions of such Applicable Rules should also adhere to the same process.

**Q3. In case it is decided to implement the authorisation structure as proposed in the Q2 above,**

**(a) which essential aspects of authorisation should be included in authorisation documents?**

**(b) What should be the broad category of rules, under which, terms and conditions of various authorisations could be prescribed?**

**(c) Whether it would be appropriate to incorporate the information currently provided through the extant Guidelines for Grant of Unified License and Unified License for VNO, which included, inter-alia, the information on the application process for the license, eligibility conditions for obtaining the license, conditions for transfer/ Merger of the license etc., in the General Rules under the Telecommunications Act, 2023?**

**(d) What could be the broad topics for which the conditions may be required to be prescribed in the form of guidelines under the respective rules? Kindly provide a detailed response with justifications.**

**Response:**

We do not agree with shortening of the Authorization document as above and same should be as comprehensive as the present day applicable license agreement as no visible benefit is seen from the same.

- a) Without prejudice to above, if such a predicament of Authorization document is proposed, such Authorization document should contain scope of service, service area, period of validity, Renewal of authorization, modification in terms and conditions of Authorization viz Applicable Rules, Applicable Entry / Authorization Fees & Applicable list of Rules.
- b) Broad Category of Rules can be General Conditions of Authorization, Financial Conditions of the Authorization including tariff, Technical Conditions of Authorization, Operating Conditions of Authorization, Security related conditions of Authorization and Rules for Spectrum Allocation & Usage. All these Rules should be framed in consultation with TRAI under provisions of Section 11 of the TRAI Act and no changes to such Rules be made by the Central Government without following the due process of consulting TRAI. This will ensure transparency and a system of check and balances, as envisaged in the statutory scheme.
- c) It would be appropriate that separate Guidelines are issued for Grant of Authorization which include, inter-alia, the information on the application process for the authorization, eligibility conditions for obtaining the authorization, conditions for transfer/ Merger of the authorization etc. as is being done for license regime under the old Act. The process of grant of Authorization should be simplified and made time bound/paperless.
- d) Not applicable in view of response to c) above.

**Q4. In view of the provisions of the Telecommunications Act, 2023, what safeguards are required to be put in place to ensure the long-term regulatory stability and business continuity of the service providers, while at the same time making the authorisations and associated rules a live document dynamically aligned with the contemporary developments from time to time? Kindly provide a detailed response with justifications.**

**Response:-**

The preceding licensing system was established in 2013 for the Unified License and UL VNO License in 2016. Extensive modifications were made in 2021 as part of the telecom reforms, which simplified the contentious issues related to license fees in line with the TRAI recommendations of 2015. As a new Authorization regimen is being introduced under the Telecom Act of 2023, replacing the existing unified license system under the old Act, we have an opportunity to make necessary changes to the regime. However, the timeframe for responding to this crucial consultation is inadequate, and we believe that rushed consultations are incomplete and wholesale changes in the proposed terms and conditions of granting Authorization viz-a-viz the existing terms of Authorization under the old license regime should

be done with a wider and more comprehensive consultation and for the present purpose only those changes need to be incorporated which offer more ease of doing business and are better than the existing terms and conditions for provision of service.

It is our belief that any alterations to the terms and conditions in the existing license system while devising the new Authorization system should be superior to the existing terms in the old system. The new regime should also facilitate an almost automatic pathway for transitioning, depending on the licensee's willingness.

It is our submission that we need to avoid frequent changes in the Authorization regime to ensure regulatory certainty and stability once the terms are established. Any changes to the Authorization terms, including changes in the Applicable Rules, should be made in consultation with TRAI, in accordance with the provisions of Section 11 of the TRAI Act. This should be clearly outlined in the Authorization document issued by the Central Government to the Authorized Entity.

The government should not possess unilateral authority to alter the Authorization terms and/or applicable Rules under the guise of making them dynamically aligned with contemporary developments. Changes should be made transparently and non-discriminatorily, in accordance with the statutory framework.

**Q5. In addition to the service-specific authorisations at service area level, whether there is a need for introducing a unified service authorisation at National level for the provision of end-to-end telecommunication services with pan-India service area under the Telecommunications Act, 2023? Kindly justify your response.**

**Response:-**

Introducing a unified service authorisation at the national level for end-to-end telecommunication services under the Telecommunications Act, 2023 could provide significant benefits in terms of efficiency, consistency, and enhanced service offerings. It would streamline regulatory processes, promote fair competition, and support national infrastructure development. A unified authorisation simplifies the regulatory process by reducing the need for multiple service-specific authorisations across different regions. This can streamline administrative procedures for both the Regulator and service providers. Service providers can operate more efficiently with a single authorisation, reducing the complexity associated with managing multiple authorisations and ensuring compliance with varying regional regulations. A national authorisation ensures that all service providers adhere to the same standards and conditions, promoting uniformity in service quality and regulatory compliance across the country. This will also ensure that service providers are treated equally regardless of the geographic region, preventing regional disparities and promoting fair competition.

It will allow an easier market entry for new players as they would only need to secure a single authorisation rather than navigating multiple regional authorisations. This can foster competition and drive innovation. Through this service providers will offer seamless end-to-

end services across the country, enhancing customer experience and enabling the introduction of new and integrated IT & Telecom service offerings.

**Q6. In case it is decided to introduce a unified service authorisation at National level for the provision of end-to-end telecommunication services-**

**(a) what should be the scope of service under such an authorisation?**

**(b) What terms and conditions (technical, operational, security related, etc.) should be made applicable to such an authorisation?**

**(c) Would there be a need to retain some of the conditions or obligations to be fulfilled at the telecom circle/ Metro area level for such an authorisation?**

**(d) Any other suggestion to protect the interest of other authorised entities/ smaller players upon the introduction of such an authorisation.**

**(e) Any other suggestion to protect the interest of other authorised entities/ smaller play upon the introduction of such an authorisation.**

**Kindly provide a detailed response with justification.**

**Response:**

Unified service authorisation could include in its scope the provision of all kinds of services which require authorization like Access Service, Internet Service, NLD Service, ILD Service, Mobile Radio Trunking Service, Satellite-based Telecommunication Services, M2M services etc. List of services which require authorization also need to be reviewed particularly those application services which use authorized telecom resources only as an input service for providing application services should not be required to take any authorization. Audioconferencing Service is one such service which presently requires a license/authorization and since this is not in the nature of telecom services but an OTT application service using authorized telecom resources as an input this service need not be included in the list of services requiring authorization.

The existing terms in the UL regarding technical, operational and security related issues are required to be made applicable to the National Level Unified Authorization with some of authorization obligations particularly related to security, interconnection required to be fulfilled at LSA level. Also RoW related issues will continue to be dealt at the LSA/State level.

**Q7. Within the scope of Internet Service authorisation under the Telecommunications Act, 2023, whether there is a need for including the provision of leased circuits/ Virtual Private Networks within its service area? Kindly provide a detailed response with justifications.**

**Response:**

The scope of Internet Service Authorization under the Telecommunications Act, 2023, should exclude provisions for leased circuits and Virtual Private Networks (VPNs) to ensure a clear delineation of service responsibilities and maintain operational focus. Internet Service Providers (ISPs) typically concentrate on delivering broadband access and internet connectivity, while leased circuits and VPNs require specialized infrastructure and management that often falls under the domain of dedicated telecommunications operators or specialized service providers. By keeping these elements separate, the regulatory

framework can streamline compliance and oversight, reduce operational complexity for ISPs, and avoid potential conflicts of interest. This separation allows ISPs to focus on enhancing their core internet services and customer experience without the added burden of managing the complex and often high-capacity networks associated with leased circuits and VPNs. Furthermore, this approach promotes a more structured and efficient market, where different providers can specialize and optimize their services, leading to better overall service quality and innovation across the telecommunications sector.

There is no need to for including the provision of leased circuits/ Virtual Private Networks within the scope of Internet Service authorisation under the Telecommunications Act, 2023, within its service area.

Provision of leased circuits is within the domain of NLDOs as per the current licensing regime which is in the nature of long distance license and is not permissible under the ISP license. Grant of this additional authorization to ISPs would adversely impact the financial viability of long distance authorizations viz NLD & ILD authorizations. Because of tremendous decline in the NLD & ILD voice revenues due to death of domestic long distance voice (STD) services & its revenues and proliferation of OTT voice services respectively , the financial viability of NLD/ILD Authorization depends upon the leased circuit/VPN service revenues only. Sharing of this right and privilege with numerous existing ISPs will adversely impact the long distance authorized Entities.

In fact there is a judgment by TDSAT dated 03rd May 2005 which holds that ISPs cannot provide VPN services. In this connection please see relevant extract from TRAI recommendations dated 16.08.2005 on the issue of Entry Fee And Licence Fee For ISP Licence with Virtual Private Network (VPN) which is reproduced below:

“1.2. The Hon’ble TDSAT in its order dated 3rd May, 2005 on ISP-VPN case has upheld DOT’s view that VPN was not allowed as a part of ISP license, it, therefore, becomes a separate service. Further TDSAT’s order stated that the quantum of entry fee and revenue share if required to be charged for a separate service from the service provider would require the recommendations of TRAI as per Section 11 (1) (a) (i) & (ii) of TRAI Act. “

Scope of service of ISP license was increased enabling them to provide VPN services in November 2005 by creating a new ISP with VPN service license wherein the annual licence fee was kept at 8 per cent of the gross revenue generated under the licence and Entry fee was kept as Rs 100 million, RS 20 million and 10 million for category A, B, and C, respectively. ISP-with-VPN licensee was permitted to lay optical fibre cable or use radio links for provision of the services in its service area. However this license was never used by the ISPs and this category was abolished later on abolished.

In such a view of the matter , looking at the history of the issue at hand , it may not be advisable to enhance the scope of ISP authorization as suggested above by including the provision of leased circuits/ Virtual Private Networks within its service area.

**Q8. In case it is decided to enhance the scope of Internet Service authorisation as indicated in the Q7 above, -**

**(a) What should be terms and conditions (technical, operational, security related, etc.) that should be made applicable on Internet Service authorisation?**

**(b) Any other suggestion to protect the reasonable interests of other authorised entities upon such an enhancement in the scope of service.**

**Kindly provide a detailed response with justifications.**

**Response:** Not Applicable in view of response to Q7

**Q9. Whether there is need for merging the scopes of the extant National Long Distance (NLD) Service authorization and International Long Distance (ILD) Service authorization into a single authorisation namely Long Distance Service authorisation under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**

**Response:**

Yes there is a definite need for merging the scopes of the extant National Long Distance (NLD) Service authorization and International Long Distance (ILD) Service authorization into a single authorisation namely Long Distance Service authorisation under the Telecommunications Act, 2023. Revenues under NLD service license have come down substantially due to decline in inter- Circle(LSA) voice service revenues . Moreover there has been steep decline in international voice traffic in both the directions due to OTT voice services which has added to woes of NLDs as well as adversely impacted the revenues of ILDs. Even in the space of leased circuits and VPNs , there are unlicensed players providing SDWAN services in India leading to erosion of revenues as well as unlicensed App based VPN service providers which are also constituting a security issue apart from erosion of revenues both for long distance licensees and the Government. All of aforesaid has led to revenue erosion of NLD/ILD licensees and it would therefore be in the fairness of the things to merge the two existing authorizations to create a single long distance service authorization.

Merging the scopes of the extant National Long Distance (NLD) Service authorization and International Long Distance (ILD) Service authorization into a single authorisation, termed Long Distance Service authorisation, under the Telecommunications Act, 2023, warrants a detailed examination. Here's a comprehensive response outlining the benefits, justifications, and potential considerations for such a merger:

#### 1. Benefits of Merging NLD and ILD Authorisations

##### a. Streamlined Regulatory Framework

Justification:

- **Simplified Licensing Process:** A single Long Distance Service authorisation simplifies the licensing process by consolidating the requirements for both NLD and ILD services into one framework. This reduces administrative complexity and the regulatory burden on service providers.
- **Consistency in Regulation:** It ensures uniform regulatory standards and compliance requirements across both national and international long-distance services, leading to a more coherent regulatory environment.



## b. Operational Efficiency

### Justification:

- Integrated Service Management: Providers can manage both national and international long-distance services under a unified authorisation, which can lead to operational efficiencies. This integration can optimize resource utilization and streamline service delivery.
- Unified Infrastructure: Merging authorisations allows for better coordination of infrastructure and technology, potentially leading to cost savings and improved service quality.

## c. Enhanced Service Offerings

### Justification:

- Comprehensive Solutions: Service providers can offer end-to-end long-distance communication solutions without the need to navigate separate authorisation frameworks. This can enhance their ability to provide comprehensive and competitive service packages.
- Flexibility: Providers gain flexibility in managing their service portfolios and adapting to changing market demands, which can lead to innovation and improved customer offerings.

## d. Improved Market Dynamics

### Justification:

- Increased Competition: A unified authorisation can encourage more players to enter the long-distance market, potentially increasing competition and benefiting consumers with better pricing and service options.
- Market Expansion: Providers can more easily expand their service offerings across both national and international markets, fostering growth and innovation in the long-distance sector.

## 2. Considerations for Merging NLD and ILD Authorisations

### a. Regulatory Coordination

#### Justification:

- Harmonization of Rules: It is essential to harmonize regulatory requirements, standards, and procedures for both NLD and ILD services. This includes addressing any differences in compliance, reporting, and operational obligations.
- Implementation Strategy: Develop a clear strategy for implementing the merged authorisation, including transitioning existing authorisations and ensuring that all regulatory aspects are covered.

### b. Impact on Existing Providers

#### Justification:

- Transitional Arrangements: Existing NLD and ILD service providers need to be considered during the transition to a unified authorisation. Transitional provisions should be established to allow for a smooth changeover without disrupting their operations.

- Grandfathering Existing Rights: Protect the existing rights and obligations of current licensees during the transition to avoid any adverse impacts on their business.

#### c. Consumer Protection

##### Justification:

- Maintaining Service Quality: Ensure that the merger does not negatively impact service quality or consumer protection standards. Adequate safeguards should be in place to maintain high service standards and address any potential issues.
- Clear Communication: Provide clear communication to consumers about any changes resulting from the merger to ensure transparency and manage expectations.

#### d. Market Surveillance and Fair Competition

##### Justification:

- Monitoring Market Impact: Monitor the impact of the merger on market competition and ensure that it does not lead to monopolistic practices or reduced competition. Regulators should be prepared to take corrective actions if necessary.
- Ensuring Fair Competition: Implement measures to prevent any unfair competitive advantages arising from the merger and ensure a level playing field for all market participants.

### 3. Implementation and Transition

##### Justification:

- Phased Approach: Consider a phased approach to the implementation of the unified authorisation. This allows for gradual adaptation and helps manage any operational or regulatory challenges that may arise.
- Stakeholder Engagement: Engage with stakeholders, including existing NLD and ILD providers, to gather input on the merger and address any concerns. This collaboration can facilitate a smoother transition and better outcomes for all parties involved.

**Q10. In case it is decided to merge the scopes of the extant NLD Service authorization and ILD Service authorization into a single authorisation namely Long Distance Service authorisation under the Telecommunications Act, 2023, -**

**(a) What should be the scope of service under the proposed Long Distance Service authorisation?**

**(b) What terms and conditions (technical, operational, security related, etc.) should be made applicable on the proposed Long Distance Service authorisation?**

**(c) Any other suggestions to protect the reasonable interests of other authorised entities upon the introduction of such an authorisation?**

**Kindly provide a detailed response with justifications.**

#### **Response:**

Merging the National Long Distance (NLD) Service authorization and International Long Distance (ILD) Service authorization into a single Long Distance Service authorisation under the Telecommunications Act, 2023, requires careful definition of the scope, terms, and

conditions to ensure smooth integration and fair competition. Here's a detailed response to the proposed changes:

#### (a) Scope of Service under the Proposed Long Distance Service Authorisation

##### 1. Comprehensive Coverage

Justification:

- **End to End Long Distance Communication:** The scope should encompass both national and international long distance communication services, covering the entire span from domestic to global connectivity. This ensures that the authorisation covers all necessary aspects of long distance services.
- **Service Integration:** Include both voice and data services within the scope, as long distance services typically involve various types of communication, including telephony, data transfer, and Internet connectivity.

##### 2. Service Components

Justification:

- **Leased Circuits:** Incorporate leased circuits as part of the service scope, as they are critical for providing dedicated, high quality communication channels over long distances.
- **Virtual Private Networks (VPNs):** Include VPNs to support secure and private long distance communication, which is essential for businesses and organizations requiring encrypted data transmission.

##### 3. Service Areas

Justification:

- **National and International Coverage:** Define the service area to include both national and international long distance communications. This ensures that the authorisation allows for comprehensive service provision across all required geographies.
- **Interconnection Requirements:** Outline the requirements for interconnecting with other networks and operators, both domestically and internationally, to facilitate seamless communication.

#### (b) Terms and Conditions for the Proposed Long Distance Service Authorisation

##### 1. Technical Conditions

###### a. Performance Standards:

Justification: Set minimum performance benchmarks for service quality, including bandwidth, latency, and uptime. This ensures reliable and high quality service for end users.

Implementation: Define specific metrics and acceptable ranges for performance indicators to maintain consistency and reliability.

###### b. Infrastructure Requirements:

Justification: Specify technical standards for infrastructure, including network design,

equipment specifications, and capacity planning. This ensures compatibility and reliability across the network.

Implementation: Mandate compliance with industry standards and best practices for network setup and maintenance.

## 2. Operational Conditions

### a. Service Delivery and Maintenance:

Justification: Establish procedures for service provisioning, including timelines for installation, activation, and ongoing maintenance. This ensures that services are delivered and maintained efficiently.

Implementation: Include requirements for service request management, response times, and handling of service interruptions.

### b. Reporting and Documentation:

Justification: Require providers to submit regular reports on service performance, compliance with regulatory requirements, and incident management. This promotes transparency and accountability.

Implementation: Define the format, frequency, and content of reports to be submitted to the regulatory authority.

## 3. Security Conditions

### a. Data Protection and Privacy:

Justification: Implement stringent measures to protect data privacy and prevent unauthorized access or breaches. This is crucial for maintaining user trust and complying with data protection laws.

Implementation: Mandate encryption for data in transit and at rest, secure access controls, and regular security audits.

### b. Network Security:

Justification: Ensure that providers implement robust security measures to protect against cyber threats and vulnerabilities.

Implementation: Require adherence to best practices for network security, including firewalls, intrusion detection systems, and incident response protocols.

## 4. Compliance Conditions

### a. Regulatory Compliance:

Justification: Ensure adherence to all applicable regulations and standards. This includes licensing requirements, financial obligations, and technical specifications.

Implementation: Include provisions for regular audits and compliance checks by the regulatory authority.

### b. Consumer Protection:

Justification: Protect consumer rights by establishing clear terms for service quality, dispute resolution, and grievance redressal mechanisms.

Implementation: Define consumer rights and obligations, including service guarantees, compensation for service failures, and procedures for addressing complaints.

### (c) Suggestions to Protect the Reasonable Interests of Other Authorised Entities

#### 1. Transitional Provisions

##### Justification:

Fair Transition: Develop clear guidelines and timelines for transitioning from the existing NLD and ILD authorisations to the new Long Distance Service authorisation. This minimizes disruption for current service providers.

Implementation: Provide a phased transition approach, including grace periods for compliance with new requirements.

#### 2. Grandfathering Existing Rights

##### Justification:

Protect Existing Investments: Allow existing NLD and ILD providers to retain certain rights or conditions from their current authorisations to avoid disadvantaging them.

Implementation: Ensure that existing service levels and conditions are maintained during the transition period.

#### 3. Stakeholder Consultation

##### Justification:

Engage with Industry: Consult with existing NLD and ILD service providers and other stakeholders to gather input on the merger and address potential concerns.

Implementation: Establish forums or working groups to discuss the impact of the merger and incorporate feedback into the regulatory framework.

#### 4. Competitive Fairness

##### Justification:

Ensure Level Playing Field: Implement measures to prevent any unfair competitive advantages arising from the new authorisation. This ensures a fair and competitive market environment.

Implementation: Monitor market dynamics and address any potential issues related to competition or market dominance.

#### 5. Support and Guidance

##### Justification:

Assist with Compliance: Provide support and guidance to service providers to help them understand and comply with the new requirements.

Implementation: Offer training sessions, informational resources, and dedicated support channels during the transition.

## 6. Transparency and Communication

Justification:

Maintain Transparency: Keep stakeholders informed about the changes and their implications to ensure clarity and avoid misunderstandings.

Implementation: Publish detailed information on the regulatory changes, including FAQs, guidance documents, and updates on implementation progress.

**Q11. Whether there is need for merging the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorisation namely Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**

**Response:** There is no need for merging the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorisation namely Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023 as both GMPCS and VSAT services are distinct and distinguishable from each other and they serve different segment of markets

**Q12. In case it is decided to merge the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorisation namely Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023,**

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**(a) What should be the scope of service under the proposed Satellite-based Telecommunication Service authorisation?**

**(b) What should be terms and conditions (technical, operational, security related, etc.) that should be made applicable on the proposed Satellite- based Telecommunication Service authorisation?**

**(c) Any other suggestion to protect the reasonable interests of other authorised entities upon the introduction of such an authorisation?**

**Kindly provide a detailed response with justifications.**

**Response:** Not applicable in view of response to Q 11

**Q13. Whether there is a need for merging the scopes of the extant Infrastructure Provider-I (IP-I) and DCIP authorization (as recommended by TRAI) into a single authorisation under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**

**Response:-**

Merging the scopes of IP-I and DCIP authorizations into a single authorization under the Telecommunications Act, 2023, could lead to a more coherent, efficient, and investor-friendly regulatory environment. By streamlining regulatory processes, enhancing coordination, and adapting to market dynamics, this approach could foster growth and innovation within the

infrastructure sector while simplifying compliance and oversight. It will be a step towards consolidation of authorisation and licenses. The passive infrastructure provider can become one stop shop to provide active access elements as well as passive infra which will increase the uptime, SLA by minimizing the dependency between multiple service provider.

Infrastructure Providers Cat -I came into existence in the year 2000 when the Department of Telecommunications (DoT) invited applications for IP-I (Infrastructure Providers Category-I) registrations .The scope of IP-I was limited to providing passive assets such as Dark Fibre, Right of Way, Duct space, Tower & Poles on lease/ rent out/ sale basis to licensees of telecom services on mutually agreed terms and conditions. There are about 1525 Entities who are holders of IP-I registration which is issued under Section 4 of the Indian Telegraph Act as amended and thus at par with other telecom service licenses in statutory terms however no license fee /entry fee was imposed .

From the definition of telecommunication network in the new Act , it is very clear that going forward establishment of passive infrastructure like towers, Poles, dark fibres etc. will require an authorization under Section 3 of the new Telecom Act. However existing IP-I registrations do not have a validity time period and would continue till five years from the appointed date as per Section 3(6) (b) and thereafter would be required to migrate to new proposed DCIP authorization.

Yes there is a need for merging the scopes of the extant Infrastructure Provider-I (IP-I) and DCIP authorization (as recommended by TRAI) into a single authorisation under the Telecommunications Act, 2023 to be named as DCIP authorization.

**Q14. In case it is decided to merge the scopes of the extant IP-I and DCIP (as recommended by TRAI) into a single authorisation under the Telecommunications Act, 2023, -**

**(a) What should be the scope under the proposed authorisation?**

**(b) What terms and conditions should be made applicable to the proposed authorisation?**

**Kindly provide a detailed response with justifications.**

**Response:-**

Scope , terms and conditions should be in accordance with TRAI recommendations on 'Introduction of Digital Connectivity Infrastructure Provider (DCIP) Authorization under Unified License (UL)' dated 08th August 2023.

**Q15. Whether there is a need for clubbing the scopes of some of the other authorisations into a single authorisation under the Telecommunications Act, 2023 for bringing more efficiency in the operations? If yes, in your opinion, the scopes of which authorisations should be clubbed together? For each of such proposed (resultant) authorisations, -**

**(a) What should be the scope of the service?**

**(b) What should be the service area?**

**(c) What terms and conditions (technical, operational, security, etc.) should be made applicable?**

**Kindly provide a detailed response with justification.**

**Response:**

In the UL-VNO license, authorization regarding Resale of IPLC services and UL-VNO -ILD services can be clubbed together as a single registration to enable resale of entire gamut of ILD services under UL-VNO -ILD services authorization.

The UL-VNO – ISP Category – C and ULVNO Access Category-B can be the other set of authorizations which can be merged or the former category of authorization can be simply abolished.

**Q16. Whether there a need for removing some of the existing authorizations, which may have become redundant? If yes, kindly provide the details with justification.**

**Response:-** Digital Communications can be broadly categorized into four major layers consisting of (i) Application Layer (ii) Service Layer (iii) Network Layer and (iv) Infrastructure Layer. Under the new Authorization regime , authorization would be required for Infra Layer, Network Layer & Service layer. Various application services and most value added services offered today fall under the application layer. Application providers use the underlying networks and/or internet services to provide applications services. Services like Audio Conferencing/Audiotex/Voicemail operate in the application layer and should therefore need to be removed from requirement of Authorization and at best may be covered under Registration. It has been the consistent of TRAI in its earlier recommendations which is reproduced below:

a. **Para 2.118 of TRAI's recommendation on Spectrum Management and Licensing Framework dated 11th May 2010** stated: "Pure value-added services i.e., Voicemail/Audiotex/UMS need not however be brought under this (Unified License Fee) regime."

b. **TRAI's recommendations on 'Guidelines for Unified License / Class Licenses and Migration of Existing Licenses' dated 16th April, 2012** Section III, pg 28 recommends, simplistic Licensing through Authorisation for Audiotex and other such Value Added Services. It further gives clear recommendations regarding other Technical and Security conditions that should be followed by the Licensee and right of the Licensor.

c. **TRAI Recommendations on Application Services dated 14 May 2012**, recommended at Para 1.15 that the definition of value added services given in the various licences seems to be restricted and does not cover new application services. Therefore, the Authority at Para 1.19 opined that it will be better to represent value added services as application services and provide a definition of application services such that it is able to accommodate various applications being provided currently as well as which will be provided in future through



telecom networks. And therefore, it recommended a broad definition of Application Services at Para 1.20 that Application services are enhanced services, in the nature of non-core services, which either add value to the basic tele services or can be provided as standalone application services through telecommunication network. The basic services are standard voice calls, voice/non-voice messages, fax transmission and data transmission.

While considering the licensing framework and DoT notification for Category of 'Other Service Providers' (OSP) dated 5th August 2008, , the Authority at Para 2.14 recommends that "....the applications service providers could also be covered under the Other Service Provider Category and could be registered with DoT. But this registration process may not entitle them of benefits available under licensing through Section 4 of the Indian Telegraph Act, 1885."

Further in Para 2.18 the Authority opined that In the provisioning of application services, there is a need to ensure entry of serious players, smother process for allocation & opening of short codes, protection of consumers' interests and compliance of content regulations. This could be achieved if ASPs (Application Service Providers) are brought under licensing.....However, at the same time to facilitate entry of innovative & small entrepreneurs, licensing process needs to be kept simple without any entry barriers. The Authority is conscious of the fact that bringing ASPs under licensing should not put burden on them and restrict the growth of small and medium players. Therefore, licensing regime for ASPs need to be such that they could avail benefits of licensing and at the same time do not get burdened with the financial requirements of a typical license.

It is our submission that provision of services which are captive in nature there should not be any requirement for obtaining authorization under new Act.

**Q17. Whether there is a need for introducing certain new authorisations or sub- categories of authorisations under the Telecommunications Act, 2023? If yes, -**

**(a) For which type of services, new authorisations or sub-categories of authorisations should be introduced?**

**(b) What should be the respective scopes of such authorisations?**

**(c) What should be the respective service areas for such authorisations?**

**(d) What terms and conditions (general, technical, operational, Security, etc.) should be made applicable for such authorisations? Kindly provide a detailed response with justifications.**

**Response:-**

As stated earlier , new Authorization under the category of DCIP needs to be introduced and terms & conditions for the same should be in accordance with latest recommendations of TRAI on the subject. In regards other pending proposals of TRAI regarding IXP Authorization , Content Delivery Network (CDN) Registration & Satellite Earth Station Gateway License following is the view. Activities under IXP license are already covered by the ISP license and since ISP license does not have any significant entry barrier not much would be achieved by adding one more category in the list of authorizations. Content Delivery Network service is in the application layer therefore registration proposed for CDN services can be proceeded with

as recommended by TRAI. Lastly Satellite Gateway Earth Station License can also be included in the new authorization based on TRAI recommendations on the subject.

In addition service scope for offering hosted contact centre solutions bundled with telecom resources should be part of the authorisation explicitly covered under UL Access, UL VNO access licenses to ensure compliance towards security requirements, avoidance of Toll bypass, adherence to data privacy regulation is achieved. Also the revenue generated will attract DoT AGR. The scope shall provide licensee to offer services with multiple channels such as voice, email, social media, SMS, and video.

Q18. In view of the provisions of the Telecommunications Act, 2023 and technological/ market developments, -

(a) What changes (additions, deletions, and modifications) are required to be incorporated in the respective scopes of service for each service authorisation with respect to the corresponding authorizations under the extant Unified License?

(b) What Tata Communications' Response changes (additions, deletions, and modifications) are required to be incorporated in the terms and conditions (General, Technical, Operational, Security, etc.) associated with each service authorisation with respect to the corresponding authorizations under the extant Unified License?

Kindly provide a detailed response with justifications.

Response:-

(a) There is a need for explicit authorization for Cloud and Hosted Contact Center Service Providers under the Unified License (UL) Access framework, as these services are increasingly utilized by Other Service Providers (OSPs) in India. The scope of this authorization should include the provision of Omnichannel Contact Center application services, integrating various communication channels such as voice, email, social media, SMS, and video.

India's BPO industry is a key player in the global outsourcing landscape, with a robust market size of around \$40 billion to \$45 billion, significant employment, and a strong global presence. The sector continues to evolve with advancements in technology and shifting service demands, reinforcing its critical role in the global outsourcing market. The industry will attract outsourcing projects only when the technology will offer great customer experiences through empowered & skilled manpower along with Tools.

This also calls for the need of running omnichannel contact centers delivered from cloud which gives an added agility and flexibility for the OSPs to meet the growing needs of their customers on an on demand basis. The combination of seamless, integrated customer interactions and the flexibility, scalability, and advanced features of cloud technology equips businesses to meet modern challenges and achieve long-term success.

Hence to compliment OSP framework, the introduction of DOT authorization for hosted contact center services is essential for ensuring regulatory compliance, protecting consumer interests, maintaining high service quality and protecting revenues for DOT. It should provide a structured framework for managing data security, enforcing quality standards, and

supporting industry growth. By implementing this authorization, India can foster a secure, reliable, and innovative contact center industry which will attract global outsourcing business that will boost Indian economy.

Additionally, portability for fixed-line numbers, toll-free numbers, and Universal Access Numbers (UANs) should be permitted between access operators to ensure a level playing field.

(b) Allowing features such as call transfer, call conferencing, and call forwarding between Closed User Groups (CUG) and Public Switched Telephone Network (PSTN) is essential for customers using voice services under UL access. This capability supports hybrid working models in the B2B space, drives innovation, and enhances customer experience, thereby improving productivity and service quality.

DOT has published Logical partitioning guidelines reference No.18-1/2005-BSII dated 19th April 2006. Since then there has been substantial changes in the EPABX technology wherein consumers in B2B space has started implementing full stack unified communications which integrates various communication tools (such as voice, video, chat, and email) into a single platform. This eliminates the complexity of managing multiple, disparate systems, reducing administrative overhead. Employees can easily switch between voice, video, and messaging without losing context, enhancing collaboration and productivity.

Voice channels and PSTN (Public Switched Telephone Network) calling should be seamlessly integrated into the same unified communications (UC) system. However, current restrictions on call forwarding, call conferencing, and call transfers between PSTN and CUG (Closed User Group) networks create significant issues in system configuration. These limitations prevent enterprises from fully enabling PSTN functionality on modern UC systems, leading to fragmented communication and a degraded user experience.

While businesses globally have advanced to full-stack UC systems without such restrictions, multinational companies operating in India are compelled to provide inconsistent experiences to their roaming employees compared to those based in Indian delivery centers. This disparity hinders productivity and complicates operations.

Modern collaboration platforms such as Microsoft Teams, Webex Calling, and Zoom offer cloud services with infrastructure in India. However, due to existing restrictions, enterprises struggle to unlock the full potential of these platforms for their Indian offices.

Given the recent removal of interconnect usage charges (IUC) between access operators, it is an opportune moment for the Telecom Regulatory Authority of India (TRAI) to revisit and revise the outdated logical partitioning guidelines. Updating these regulations to support modern communication systems will enable enterprises to fully leverage their UC platforms and enhance overall productivity.

UL-VNO authorization

It has been stated in para 2.108 of the CP that UL (VNO) license for service delivery is quite successful in respect of some of the authorizations such as the ISP Category-C authorization, ISP Category B authorization, Access Service Category B, and NLD Service authorization. In this connection it may kindly be reviewed as to number of VNO Access Service Category B licenses granted and how many have surrendered and/or not operational. It is our submission that VNO Access Service Category B has not been very successful along with VNO Access Service licenses. There is a need to simplify VNO authorization particularly where VNO is doing facility-less resale of services.

Secondly in case VNO Access licensees, they should be allowed to connect with more than one NSO-Access Provider in general but particularly they should be allowed to connect with one NSO for wireline access services and one NSO for wireless access services. Access Service VNOs who intend to provide wireline services only, may require to take connectivity from more than one NSOs in an LSA as generally NSOs do not have roll out in the entire LSA and depending upon availability in an area of NSO network, VNO may be allowed to parent with more than one NSO.

**Q19. In view of the provisions of the Telecommunications Act, 2023 and technological/market developments, -**

**(a) What changes (additions, deletions, and modifications) are required to be incorporated in the respective scopes of service for each service authorisation with respect to the corresponding authorizations under the extant Unified License for VNO?**

**(b) What changes (additions, deletions, and modifications) are required to be incorporated in the terms and conditions (General, Technical, Operational, Security, etc.) associated with each service authorisation with respect to the corresponding authorizations under the extant Unified License for VNO?**

**Kindly provide a detailed response with justifications.**

Response:-

(a) Virtual Network Operators (VNOs) should be permitted to connect with multiple Network Service Operators (NSOs) to establish a more robust and flexible service network. This arrangement enhances the operational flexibility for VNOs and benefits their customers by offering improved service options. Additionally, explicit authorization is needed for Cloud and Hosted Contact Center Service Providers under the Unified License (UL) VNO access framework. This authorization should cover the provision of Omnichannel Contact Center application services, integrating various communication channels such as voice, email, social media, SMS, and video. To ensure a level playing field, portability for fixed-line numbers, toll-free numbers, and Universal Access Numbers (UANs) should be allowed between access operators and VNOs.

(b) Features such as call transfer, call conferencing, and call forwarding between Closed User Groups (CUG) and Public Switched Telephone Network (PSTN) should be permitted for customers utilizing voice services under UL VNO access. This capability supports hybrid

working models in the B2B sector, promotes innovation, and enhances customer experiences, leading to greater productivity and service quality.

**Q20. Whether the Access Service VNOs should be permitted to parent with multiple NSOs holding Access Service authorisation for providing wireless access service? If yes, what conditions should be included in the authorisation framework to mitigate any possible adverse outcomes of such a provision? Kindly provide a detailed response with justifications.**

**Response:-**

Access Service Virtual Network Operators (VNOs) should be permitted to partner with multiple Network Service Operators (NSOs) to build a more flexible and resilient service network. However, to ensure operational integrity and service consistency, it is crucial that these VNOs adhere to specific routing protocols. Specifically, VNOs must be prohibited from routing calls across different NSOs. In other words, calls made by subscribers using an access number provided by one NSO must be routed exclusively through that NSO's network. Cross-NSO call routing, where calls could potentially be transferred between different NSOs, should not be allowed. This restriction ensures that each NSO maintains control over its network traffic and preserves the quality and security of service. It also helps in managing interconnection agreements and billing, while preventing potential operational complexities and conflicts that may arise from inter-NSO call routing.

The Access Service VNOs should also be permitted to parent with multiple NSOs holding Access Service authorisation for providing wireless access service. This will promote competition amongst the Access Provider NSOs for serving the VNOs and would also help the VNOs in getting a competitive price. As of now, for Wireless Services none of the Access Provider NSOs are offering any reasonable price to the Access Service VNOs resulting in very low growth for Wireless Access Service VNOs. It is understood that there has been a TDSAT Judgment delivered recently in this regard which has dealt with the issue and has requested DoT, TRAI and BSNL to look into these issues.

**Q21. Considering that there are certain overlaps in the set of services under various authorisations, would it be appropriate to permit service-specific parenting of VNOs with Network Service Operators (NSOs) in place of the extant authorisation-specific parenting? Kindly provide a detailed response with justifications.**

**Response:-**

Given the varying strengths and specialized services offered by different Network Service Operators (NSOs) across various service areas, Virtual Network Operators (VNOs) should be permitted to partner with multiple NSOs on a service-specific basis. This approach allows VNOs to leverage the unique capabilities and strengths of each NSO, ensuring that the VNO can provide the highest quality and most appropriate services to its customers.

In order to avoid any complications, it would be advisable to continue with the existing practice of authorization specific parenting.

**Q22. In view of the provisions of the Telecommunications Act, 2023 and technological/ market developments, -**

**(a) What changes (additions, deletions, and modifications) are required to be incorporated in the respective scopes of service for each service authorisation with respect to the corresponding extant standalone licenses/ authorizations/ registrations/ NOC etc.?**

**(b) What changes (additions, deletions, and modifications) are required to be incorporated in the terms and conditions (General, Technical, Operational, Security, etc.) associated with each service authorisation with respect to the corresponding extant standalone licenses/ authorizations/ registrations/ NOC etc.?**

**Kindly provide a detailed response with justifications.**

**Response:-**

To align with the Telecommunications Act, 2023 and reflect technological and market developments, it's essential to revisit and update the scopes of service and the terms and conditions associated with each service authorization. Below is a detailed response with justifications for the required changes:

(a) Changes in the Scope of Service for Each Service Authorization

1. Unified License (UL)

Additions:

- Omnichannel Communication Services as a new service : Incorporate provisions for supporting integrated communication channels, including voice, email, social media, SMS, and video, to reflect the growing demand for comprehensive communication solutions.
- Cloud Services : Include authorization for cloud-based services and infrastructure, aligning with the increasing reliance on cloud computing and storage solutions.
- OTT services for B2B space : Include provisions for using OTT services which includes the terms and conditions to use conferencing and CUG calling between different enterprises.

Modifications:

- Network Sharing and Integration : Update the scope to include provisions for network sharing and integration with Virtual Network Operators (VNOs) to enhance network efficiency and service flexibility.
- Internet of Things (IoT) : Expand the scope to cover IoT services and applications, as IoT is becoming a significant part of telecom networks.

Deletions:

- Obsolete Technologies : Remove provisions related to outdated technologies or services that are no longer relevant, such as legacy systems that are being phased out.

## 2. Virtual Network Operator (VNO) License

### Additions:

- Service-Specific NSO Partnerships : Allow VNOs to partner with multiple NSOs based on their strengths in specific services, such as high-speed data or extensive coverage.
- Cloud and Hosted Contact Center Services : Explicitly include authorization for cloud and hosted contact center services to cater to the growing demand from businesses.

### Modifications:

- Service Area Definitions : Update service area definitions to include newer geographic or operational classifications, such as License Service Areas (LSAs) or Standard Designated Circle Areas (SDCAs), reflecting market expansion.

### Deletions:

- Restrictions on NSO Partnerships : Remove any restrictions that inhibit VNOs from partnering with multiple NSOs, as this flexibility is essential for optimal service delivery.

## 3. Internet Service Provider (ISP) Registration

### Additions:

- High-Speed Data and Fiber Optics : Add provisions for high-speed data and fiber optic services, considering the increasing demand for high-bandwidth applications.

### Modifications:

- Broadband and Satellite Integration : Update the scope to include integration with satellite services for broadband, enhancing connectivity options.

### Deletions:

- Legacy Access Technologies : Remove provisions related to outdated access technologies that are being replaced by more advanced solutions.

### (b) Changes in Terms and Conditions for Each Service Authorization

#### 1. Unified License (UL)

##### General Terms:

- Flexibility in Operations : Modify terms to allow greater flexibility in network operations and service delivery, reflecting technological advancements and market demands.

##### Technical Terms:

- Standards Compliance : Update technical requirements to align with the latest industry standards and practices, including cybersecurity standards and interoperability protocols.

##### Operational Terms:

- Network Sharing Agreements : Include provisions for network sharing and collaboration with VNOs and other operators to enhance network efficiency and service quality.

Security Terms:

- Enhanced Cybersecurity Measures : Strengthen security requirements to address emerging threats and vulnerabilities, ensuring compliance with updated cybersecurity frameworks.

## 2. Virtual Network Operator (VNO) License

General Terms:

- Service Flexibility : Modify terms to provide greater flexibility in service offerings and partnerships with NSOs, reflecting the evolving telecom landscape.

Technical Terms:

- Interconnection Requirements : Update interconnection requirements to facilitate seamless integration with multiple NSOs and support advanced services like IoT.

Operational Terms:

- Service Quality and Performance : Enhance performance metrics and service quality standards to ensure high standards of service delivery, including SLAs (Service Level Agreements).

Security Terms:

- Data Privacy and Protection : Strengthen data privacy and protection clauses to comply with modern data protection regulations and enhance consumer trust.

## 3. Internet Service Provider (ISP) Registration

General Terms:

- Market Responsiveness : Adapt terms to be more responsive to market changes and technological innovations, ensuring that ISP services remain competitive.

Technical Terms:

- Broadband Standards : Update technical terms to align with current broadband standards and technologies, including fiber optics and high-speed data services.

Operational Terms:

- Customer Support and Service Delivery : Enhance requirements for customer support and service delivery to improve user experience and satisfaction.

Security Terms:

- Network Security : Update network security terms to address new threats and ensure robust protection for ISP networks and customer data.

Justifications:

1. Technological Advancements : Incorporating new technologies and services, such as cloud computing and IoT, ensures that service authorizations remain relevant and competitive in the rapidly evolving telecom landscape.



2. Market Demand : Adapting scopes and terms to reflect current market demands, such as omnichannel communication and high-speed data, helps in providing better services and meeting customer expectations.

3. Operational Efficiency : Allowing flexible partnerships and network sharing improves operational efficiency, enhances service delivery, and fosters innovation.

4. Regulatory Compliance : Updating security and compliance requirements ensures that service providers adhere to the latest regulations and best practices, safeguarding consumer data and network integrity.

It is proposed that all the captive licenses namely CMRTS License, Captive VSAT CUG License, CNPN License and all other captive authorizations are not for provision of telecommunication service to the end customers and therefore there should not be any requirement of authorization Under Section 3(1) of the Telecommunication Act 2023. For the remaining services namely MNP Service, IFMC Service, IP-I Service, M2M Service, WPAN/WLAN connectivity service and PM WANI service, individual authorizations/registration may be kept depending on the nature of service. For M2M and WPAN/WLAN services being in the nature of application service the same should be licensed through a registration as is being done presently.

**Q23. In view of the provisions of the Telecommunications Act, 2023 and market developments, whether there is a need to make some changes in the respective scopes and terms and conditions associated with the following service authorisations, recently recommended by TRAI:**

**(a) Digital Connectivity Infrastructure Provider (DCIP) Authorization (under Unified License)**

**(b) IXP Authorization (under Unified License)**

**(c) Content Delivery Network (CDN) Registration**

**(d) Satellite Earth Station Gateway (SESG) License**

**If yes, kindly provide a detailed response with justifications in respect of each of the above authorisations.**

**Response:-**

**(a) Digital Connectivity Infrastructure Provider (DCIP) Authorization (under Unified License)**

There is no need to make any changes in the scope and terms and conditions in respect of DCIP authorization under UL recently recommended by TRAI. However, the IP-I registration will be abolished post institution of DCIP authorization and appropriate migration part to be provided to IP-I Licensees to migrate to DCIP authorization failing which IP-I authorization will expire after 5 years duration.

**(b) IXP Authorization (under Unified License)**

Since IXP services can be provided under ISP license and there are no significant entry barriers in taking ISP License and there after establishing an internet exchange, there is no need to add one more category of service license under the Unified License.

(c) Content Delivery Network (CDN) Registration

The CDN registration should be proposed in lines with the recent TRAI recommendations on the subject. In order to promote competition in the CDN services sector as well as to keep on record the progress of the CDN service providers in the internet eco-system. The registration of CDN service providers is very much required.

(d) Satellite Earth Station Gateway (SESG) License

The requirement and need of satellite earth station gateway (SESG) on a stand alone basis may kindly be estimated through the industry consultation before taking a call on the subject.

**Q24. In view of the provisions of the Telecommunications Act, 2023 and market developments, any further inputs on the following issues under consultation, may be provided with detailed justifications:**

- (a) Data Communication Services Between Aircraft and Ground Stations Provided by Organizations Other Than Airports Authority of India;**
- (b) Review of Terms and Conditions of PMRTS and CMRTS Licenses; and**
- (c) Connectivity to Access Service VNOs from more than one NSO.**

**Response:-**

- (c) Same as above
- (a) & (b) No comments

**Q25. Whether there is a need for introducing any changes in the authorisation framework to improve the ease of doing business? If yes, kindly provide a detailed response with justifications.**

**Response:-**

- **Simplification of license fee regime** : It may be noted that issues related to license fee has been and is subject matter of most of the disputes between the authorised entities and the government. While the license fee reforms of October, 2021 has tried to take care of the disputes which were decided in Supreme Court in respect of Access Services licenses in October, 2019 on a prospective basis, there is lot of more work which can be done. The license fee regime at present is also subject to interpretation and may lead to disputes in future. It is proposed that license fees can be charged in the same manner as GST and 2 per cent of the billed amount can be charged towards license fee. Alternatively, it is proposed that license fee which is presently charged at the rate of 8 per cent may be reduced by

minimum 3 per cent. It may be noted that globally the license fee for authorization is nowhere charged at such a high rate in any of the comparable geographies to India.

- **No authorization for captive services:** Section 3(1) of the Telecommunication Act 2023 provides that any person intending to (a) provide telecommunication services; (b) establish, operate, maintain, or expand telecommunication network; or (c) possess radio equipment, shall obtain an authorisation from the Central Government, subject to such terms and conditions, including fees or charges, as may be prescribed. Thus a license is required for provision of telecommunication services establishing, operating maintaining or expanding telecommunication network for provision of services to the end users or possessing radio equipment. In case of captive views the provisions of Section 3(1) of the Telecommunication Act, 2023 will not apply as the telecom network is not being established to provide telecommunication services to any end users. The definition of telecommunication network read with telecommunication service and user clearly establishes that for captive service no authorization would be required Under Section 3(1)(a) or 3(1)(b).
- **Rationalization of entry fees for various authorizations:** The entry fee in respect of various authorizations should be rationalized in accordance with TRAI Recommendations dated 19th September, 2023 on the subject.

**Q26. In view of the provisions of the Telecommunications Act, 2023 and market/ technological developments, whether there is a need to make some changes in the extant terms and conditions, related to ownership of network and equipment, contained in the extant Unified License? If yes, please provide the details along with justifications.**

**Response:-**

Ownership of network and equipment should lie with authorized licensee with robust security and compliance led clauses.

This should include provisions to facilitate and regulate infrastructure sharing among licensees including BSNL and MTNL. This should cover aspects such as access to towers, ducts, and other physical assets. Infrastructure sharing can lead to cost savings and more efficient use of resources. It reduces the need for duplicate infrastructure, lowering operational and capital expenditures.

Revise the licensing framework to accommodate advancements such as software-defined networking (SDN) and network function virtualization (NFV), which often require different ownership and operational models.

**Q27. Whether any modifications are required to be made in the extant PM-WANI framework to encourage the proliferation of Wi-Fi hotspots in the country? If yes, kindly provide a detailed response with justifications.**

**Response:-**

No comments

**Q28. What should be the broad framework including the specific terms and conditions that should be made applicable for captive authorisations, which are issued on a case-to-case basis? Kindly provide a detailed response with justifications.**

**Response:-**

A broad framework for captive authorizations should encompass a detailed set of terms and conditions that address operational requirements, security and compliance, regulatory adherence, spectrum management, financial considerations, monitoring and enforcement, and exit provisions. These measures ensure that captive authorizations are issued and managed effectively, supporting the internal telecommunications needs of organizations while maintaining regulatory integrity and operational efficiency.

Captive authorizations are issued on a case-by-case basis and typically pertain to scenarios where entities require telecommunications services exclusively for their internal use, rather than for providing services to the public. Establishing a broad framework for these authorizations is crucial to ensure that they are issued and managed effectively while addressing unique operational and regulatory needs. Here's a detailed framework for captive authorizations, including specific terms and conditions:

1. Objective and Scope

a. Objective

the primary objective of a captive authorization is to permit entities to deploy and operate telecommunications infrastructure or services for their own use, without the need to provide services to external customers.

b. Scope

- Internal Use: The scope should be limited to internal communications, data transfer, and connectivity needs of the organization.
- Non-Commercial Use: The infrastructure or services provided under a captive authorization should not be offered to external entities or the public.

Justification:

- Focused Use: Clearly defining the scope ensures that the authorization is used strictly for internal purposes and does not inadvertently compete with public service providers.

2. Application and Approval Process

a. Eligibility Criteria

- Organizational Type: Specify which types of organizations can apply (e.g., large corporations, critical infrastructure providers, or specific sectors like energy and manufacturing).
- Technical Capability: Require proof of technical capability and experience in managing telecommunications infrastructure.

b. Application Requirements

- Detailed Proposal: Applicants should submit a detailed proposal outlining the infrastructure or services they intend to deploy, including technical specifications, coverage areas, and operational details.
- Compliance Documentation: Provide documentation demonstrating compliance with existing regulations, including environmental and safety standards.

c. Approval Process

- **Case-by-Case Review:** Implement a rigorous review process to evaluate each application on its merits, ensuring alignment with regulatory requirements and operational standards.

Justification:

- **Selective Authorization:** A thorough approval process ensures that captive authorizations are granted to entities that meet regulatory standards and have the capability to manage their operations effectively.

### 3. Terms and Conditions

#### a. Operational Requirements

- **Network Design:** Specify requirements for network design and implementation, ensuring it meets technical standards and integrates seamlessly with existing infrastructure.
- **Maintenance and Operation:** Outline obligations for the maintenance, operation, and upgrading of the infrastructure, including adherence to service quality standards.

Justification:

- **Operational Integrity:** Ensuring high standards for network design and maintenance preserves the quality and reliability of the infrastructure.

#### b. Security and Compliance

- **Data Security:** Mandate robust data security measures to protect sensitive information and ensure compliance with data protection regulations.
- **Network Security:** Implement security requirements for the network infrastructure to prevent unauthorized access and mitigate risks.

Justification:

- **Protection of Assets:** Security requirements safeguard the integrity of the infrastructure and data, reducing vulnerability to breaches and attacks.

#### c. Regulatory Compliance

- **Adherence to Standards:** Ensure compliance with relevant telecommunications regulations, including spectrum management, electromagnetic compatibility, and environmental standards.
- **Reporting Obligations:** Establish regular reporting requirements to monitor compliance with the terms of the authorization and regulatory obligations.

Justification:

- **Regulatory Alignment:** Compliance with regulatory standards ensures that the infrastructure operates within legal boundaries and adheres to industry norms.

#### d. Spectrum Usage

- **Spectrum Licensing:** If applicable, specify requirements for obtaining and managing spectrum licenses for captive networks.
- **Interference Management:** Implement guidelines for managing potential interference with public networks or other authorized users.

Justification:

- **Efficient Spectrum Use:** Proper spectrum management prevents interference issues and ensures efficient utilization of available frequencies.

#### e. Duration and Renewal

- **Authorization Period:** Define the duration of the authorization and the conditions under which it can be renewed or extended.
- **Review Mechanism:** Include provisions for periodic review to assess continued compliance and operational effectiveness.

Justification:

- Authorization Management: Clear terms for duration and renewal ensure ongoing relevance and compliance, allowing for adjustments as needed.

f. Financial Considerations

- Fees and Charges: Specify any applicable fees for the authorization, including application fees, annual fees, or other financial requirements.

- Financial Guarantees: Require financial guarantees or performance bonds to ensure commitment to maintaining infrastructure and compliance with terms.

Justification:

- Cost Recovery and Assurance: Financial requirements help cover administrative costs and provide assurance that the entity is committed to fulfilling its obligations.

4. Monitoring and Enforcement

a. Inspection and Audits

- Regular Inspections: Implement provisions for regular inspections and audits to verify compliance with the terms of the authorization and operational standards.

- Compliance Checks: Conduct periodic checks to ensure adherence to regulatory requirements and operational guidelines.

b. Enforcement Actions

- Penalties for Non-Compliance: Define penalties and enforcement actions for breaches of the authorization terms, including fines or suspension of the authorization.

- Dispute Resolution: Establish mechanisms for resolving disputes or issues related to the authorization.

Justification:

- Compliance Assurance: Monitoring and enforcement mechanisms ensure that entities adhere to the terms of their authorization and address any issues promptly.

5. Exit and Transition

a. Exit Provisions

- Infrastructure Disposal: Include provisions for the disposal or transfer of infrastructure in the event of the termination or non-renewal of the authorization.

- Data Migration: Address requirements for data migration and transfer if applicable, ensuring minimal disruption to operations.

Justification:

- Orderly Transition: Clear exit provisions facilitate an orderly transition if the authorization is terminated, protecting both the entity and regulatory interests.

**Q29. What amendments are required to be incorporated in the terms and conditions of authorisations for providing telecommunications services using satellite-based resources in light of the policy/ Act in the Space Sector? Kindly provide a detailed response with justifications.**

**Response:**

No comments

**Q30. Whether the provisions of any other Policy/ Act in the related sectors need to be considered while framing terms and conditions for the new authorisation regime? If yes, kindly provide a detailed response with justification.**

**Response:**

No comments

**Q31. What conditions should be made applicable for the migration of the existing licensees to the new authorisation regime under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**

The conditions for migrating existing licensees to the new authorization regime under the Telecommunications Act, 2023, should include a structured transition framework, compliance assessments, technical and operational adjustments, financial and contractual considerations, monitoring and support, and a clear legal and regulatory framework. By addressing these aspects, the migration process can be managed efficiently, ensuring a smooth transition while maintaining regulatory standards and operational continuity.

The migration of the existing Licensees to the new authorisation regime under the Telecommunications Act, 2023 should be either on expiry of the existing licenses under the old UL/ULVNO license regime or upon the willingness of the existing licensee to migrate to new authorization regime. There should not be any forced migration to the new authorization regime rather the terms and conditions of the new authorization regime should be made in such a manner that it incentivize the migration to the new authorisation regime.

**Q32. What procedure should be followed for the migration of the existing licensees to the new authorisation regime under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**

**Response:**

The procedure for migration of the existing Licensees should be broadly on the same lines as contained in the guidelines for grant of Unified License where in the process for migration to UL was given. Following issues need to be kept in mind while migrating the existing Licensee to the new authorization regime:

- a) On migration the new authorization shall be for a period of 20 years from the effective date of the new authorization irrespective of the validity period of old license.
- b) Credit of prorated entry fee paid while migrating to new authorization regime .

**Q33. Do you agree that new guidelines for the transfer/ merger of authorisations under the Telecommunications Act, 2023 should be formulated after putting in place a framework for the authorisations to be granted under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**

**Response:-**

Formulating new guidelines for the transfer or merger of authorizations under the Telecommunications Act, 2023, should follow the establishment of a comprehensive framework for the authorizations themselves. This approach ensures consistency, addresses specific challenges, aligns with regulatory objectives, and improves procedural efficiency. By first developing a detailed framework, regulatory authorities can create effective, clear, and practical guidelines that support a smooth and compliant transfer and merger process, benefiting both the regulatory system and the stakeholders involved.

**Q34. Whether there is a need to formulate guidelines for deciding on the types of violations of terms and conditions which would fall under each category as defined in the Second Schedule of the Telecommunications Act, 2023? If yes, kindly provide a detailed response with justifications.**

**Response:-**

Yes, formulating guidelines for deciding on the types of violations of terms and conditions that fall under each category as defined in the Second Schedule of the Telecommunications Act, 2023, is necessary. Here's a detailed response with justifications:

a. Definition of Violations

- **Clear Categorization:** Guidelines help clearly categorize different types of violations according to their severity and impact, as outlined in the Second Schedule. This categorization is crucial for consistent enforcement and regulatory actions.
- **Examples and Scenarios:** Providing examples and scenarios of violations for each category can help stakeholders understand what constitutes a violation under each category, reducing ambiguity.

Justification:

- **Regulatory Clarity:** Clear definitions and examples prevent misunderstandings and ensure that all parties are aware of what constitutes a violation, leading to more consistent application of regulations.

b. Consistency in Enforcement

- **Uniform Application:** Guidelines ensure that violations are categorized and addressed uniformly across different cases, promoting fairness and consistency in enforcement actions.
- **Predictability:** Consistent guidelines make the regulatory process more predictable for licensees and operators, helping them understand potential consequences of non-compliance.

Justification:

- **Fairness and Predictability:** Consistent enforcement ensures that similar violations are treated equally, enhancing fairness and predictability in regulatory outcomes.

**Q35. Are there any other inputs/ suggestions relevant to the subject? Kindly provide a detailed response with justifications.**

**Response:-**

No comment



**Q36. In case it is decided to introduce a unified service authorisation for the provision of end-to-end telecommunication services with pan-India service area, what should be the: -**

**(i) Amount of application processing fees**

**(ii) Amount of entry fees**

**(iii) Provisions of bank guarantees**

**(iv) Definitions of GR, ApGR and AGR**

**(v) Rate of authorisation fee**

**(vi) Minimum equity and networth of the Authorised entity Please support your response with proper justification.**

**Response:-**

First of all it should be applicable as TRAI recommendation on rationalization on Entry Fee and BG dated on 19th Sep 2023.

PBG & FBG should be merged and only one single Bank Guarantee should be required to be submitted. The amount of single BG should be computed as per existing formula.

Alternatively, the provision of BGs should be removed and replaced by an Undertaking (on Non-Judicial Stamp Paper) from the licensee company at the time of signing the License agreement.

Only revenue earned from the telecom services under respective authorization, should be considered for computation of GR. The definition of Gross Revenue (GR) should be simple, specific and easy to interpret. Further, in order to minimize disputes over interpretation of GR, the use of words like Miscellaneous and etc. must be avoided. So keeping in view the above, we proposed the definition of GR as under:-

**Gross Revenue (GR)** The Gross Revenue shall include all revenues accruing to the Licensee by way of providing telecom services under the respective service authorizations such as Access Service/NLD/ILD/ISP/M2M/Audio-conferencing service or any other authorization granted to the licensee under the Telecommunication Act -2023. The revenue shall also include supplementary/Value added services provided under the scope of the respective service authorization.

**Applicable Gross Revenue (ApGR)** Since the proposed definition of GR includes only revenue from services provided under the scope of respective service authorizations, therefore, the concept and provision of ApGR is not required.

**Adjusted Gross Revenue (AGR)** Each telecom licensee pays charges to other telecom operators for usage of their network. The recipient TSP considers such charges received from other operators as part of its Gross Revenue (GR) for the purpose of computation of LF. So, deductions should be allowed to licensee who pays such charges to other TSPs. This will eliminate the possibility of a double levy of license fee on TSPs who pays such charges.

For the purpose of arriving at the "Adjusted Gross Revenue (AGR)", following shall be excluded from the Gross Revenue (GR):

- a. (i) For Access Service :- PSTN/PLMN/GMPCS related call charges (Access Charges)  
(ii) For Internet Service and M2M:- Revenue passed on to other eligible/entitled telecom service provider,  
(iii) For ILD/NLD Service:- Charges paid to other telecom service providers for carriage of traffic.  
(iv) For VNO Service:- Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges and Charges paid to NSOs towards Bulk/Wholesale bandwidth, leased line and bandwidth charges, minutes and SMSs.
- b. Goods and Service Tax (GST) paid to the Government if Gross Revenue (GR) had included as component of GST.

**Q37. In case it is decided to enhance the scope of Internet Service authorization as indicated in the Q7 above, what should be the:**

- (i) Amount of application processing fees**  
**(ii) Amount of entry fees**  
**(iii) Provisions of bank guarantees**  
**(iv) Definitions of GR, ApGR and AGR**  
**(v) Rate of authorisation fee**  
**(vi) Minimum equity and networth of the Authorised entity Please support your response with proper justification.**

**Response:-**

First of all it should be applicable as TRAI recommendation on rationalization on Entry Fee and BG dated on 19th Sep 2023.

PBG & FBG should be merged and only one single Bank Guarantee should be required to be submitted. The amount of single BG should be computed as per existing formula.

Alternatively, the provision of BGs should be removed and replaced by an Undertaking (on Non-Judicial Stamp Paper) from the licensee company at the time of signing the License agreement.

In case it is decided to enhance the scope of Internet Service provider as indicated in Q.7, which means permitting internet service authorization holder to provide lease circuits/ Virtual Private Network (VPN) then same should be included in the definition of GR for the purpose of computation of License fee. The revenue earned from the services covered in the scope of the Internet Service authorization, should be included in the definition of GR.

We purposed the following definition:

Gross Revenue (GR) :- Gross revenue shall be inclusive of revenue accrued by way of providing internet services, revenue from internet access service, revenue from internet contents, revenue from internet telephony service, revenue from leased circuits, revenue from virtual private network, roaming charges, supplementary services and value-added services.

Applicable Gross Revenue (ApGR):- Same as provided in answer to Q-36.

Adjusted Gross Revenue (AGR):- For the purpose of arriving at the “Adjusted Gross Revenue (AGR)”, following shall be excluded from the Gross Revenue (GR):

- a. Revenue passed on to other eligible/entitled telecom service provider, and;
- b. Charges paid to other eligible telecom service providers.
- c. Goods and Service Tax (GST) paid to the Government if Applicable Gross Revenue (ApGR) had included as component of GST.

**Q38. In case it is decided to merge the scopes of the extant NLD Service authorization and ILD Service authorization into a single authorization namely Long Distance Service authorization under the Telecommunications Act, 2023, what should be the: -**

**(i) Amount of application processing fees**

**(ii) Amount of entry fees**

**(iii) Provisions of bank guarantees**

**(iv) Definitions of GR, ApGR and AGR**

**(v) Rate of authorisation fee**

**(vi) Minimum equity and networth of the Authorised entity Please support your response with proper justification.**

**Response:-**

First of all it should be applicable as TRAI recommendation on rationalization on Entry Fee and BG dated on 19th Sep 2023.

PBG & FBG should be merged and only one single Bank Guarantee should be required to be submitted. The amount of single BG should be computed as per existing formula.

Alternatively, provision of BGs should be removed and replaced by an Undertaking (on Non-Judicial Stamp Paper) from the licensee company at the time of signing the License agreement.

In Case it is decided to merge the scopes of the extant NLD and ILD services into a single authorization namely Long Distance Service authorization under the Telecommunication Act, 2023, Definition of GR should cover all the services covered in the scope of the merged service authorization.

We propose the following definition:

Gross Revenue (GR) The Gross Revenue shall include all revenues accruing to the Licensee by way of providing telecom services under the long distance service authorization (ILD & NLD service) granted to the licensee under the Telecommunication Act -2023. The revenue shall also include supplementary/Value added services provided under the scope of long Distance service authorization.

Applicable Gross Revenue (ApGR) Since the proposed definition of GR includes only revenue from services provided under the scope of merged service authorization, therefore, the concept and provision of ApGR is not required.

Adjusted Gross Revenue (AGR) Each telecom licensee pays charges to other telecom operators for usage of their network. The recipient TSP considers such charges received from the operators as part of its Gross Revenue (GR) for the purpose of computation of LF. So, deductions should be allowed to licensee who pays such charges to other TSPs. This will eliminate the possibility of a double levy of license fee on TSPs who pays such charges.

For the purpose of arriving at the "Adjusted Gross Revenue (AGR)", following shall be excluded from the Gross Revenue (GR):

- a. (i) Charges paid to other telecom service providers for carriage of traffic.
- b. Goods and Service Tax (GST) paid to the Government if Gross Revenue (GR) had included as component of GST.

**Q39. In case it is decided to merge the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorization namely Satellite-based Telecommunication Service authorization under the Telecommunications Act, 2023, what should be the: -**

- (i) Amount of application processing fees**
- (ii) Amount of entry fees**
- (iii) Provisions of bank guarantees** **(iv)**
- Definitions of GR, ApGR and AGR**
- (v) Rate of authorisation fee**
- (vi) Minimum equity and networth of the Authorised entity Please support your response with proper justification.**

**Response:-**

Not applicable as in our view GMPCS and VSAT licenses should not be merged.

**Q40. In case you are of the opinion that there is a need for clubbing the scopes of some other authorisations into a single authorisation under the Telecommunications Act, 2023 for bringing more efficiency in the operations, what should be the:**

- (i) Amount of application processing fees**
- (ii) Amount of entry fees**
- (iii) Provisions of bank guarantees**
- (iv) Definitions of GR, ApGR and AGR**
- (v) Rate of authorisation fee**
- (vi) Minimum equity and networth of the Authorised entity Please support your response with proper justification.**

**Response:-**

PBG & FBG should be merged and only one single Bank Guarantee should be required to be submitted. The amount of single BG should be computed as per existing formula.

Alternatively, the provision of BGs should be removed and replaced by an Undertaking (on Non-Judicial Stamp Paper) from the licensee company at the time of signing the License agreement.

**Q41. In case you are of the opinion there is a need to introduce certain new authorisations or sub-categories of authorisations under the Telecommunications Act, 2023, what should be the: -**

**(i) Amount of application processing fees**

**(ii) Amount of entry fees**

**(iii) Provisions of bank guarantees**

**(iv) Definitions of GR, ApGR and AGR**

**(v) Rate of authorisation fee**

**(vi) Minimum equity and networth of the Authorised entity Please support your response with proper justification.**

**Response:-**

PBG & FBG should be merged and only one single Bank Guarantee should be required to be submitted. The amount of single BG should be computed as per existing formula.

Alternatively, the provision of BGs should be removed and replaced by an Undertaking (on Non-Judicial Stamp Paper) from the licensee company at the time of signing the License agreement.

**Q42. What should be the amount of application processing fees for the various service authorisations including VNOs, other than the merged/clubbed/new service authorisations? Please provide your response for each of the service authorisation separately.**

**Response:-**

The application processing fees for the various service authorisations should be estimated in accordance with the TRAI's recommendation dated 19th Sep 2023.

**Q43. Whether the amount of entry fee and provisions for bank guarantee for various service authorisations including VNOs, other than the merged/clubbed/new service authorisations, should be:**

**i. kept the same as existing for the various service authorisations under the UL/UL(VNO) license**

**ii. Kept the same as recommended by the Authority for the various service authorisations under the UL/UL(VNO) license, vide its Recommendations dated 19.09.2023**

**iii. Or some other provisions may be made for the purpose of Entry Fee and Bank Guarantees**

**please support your response with proper justification separately for each authorisation.**

**Response:**

For Existing Service Authorizations:

The current fee structure should align with the TRAI's latest recommendations dated 19th Sep 2023 which reflects market realities. This ensures compliance and adaptation to current conditions.

For New or Emerging Service Authorizations:

The new or emerging services authorization should also align with the TRAI's latest recommendations dated 19th Sep 2023 as for existing service authorisation.

**Q44. Whether there is a need to review any of the other financial conditions for the various service authorisations including VNOs, other than the merged/clubbed/new service authorisations? Please provide your response for each service authorisation separately with detailed justification.**

**Response:**

We propose there should not be any requirement of Payment of minimum license fee under UL-VNO- Service Authorizations. The holder of UL-VNO service authorizations is not entitled for numbering, accruing spectrum and cannot interconnect with operators directly. Further, UL-VNO Licensee is dependent on NSO for provisions of Telecom services.

**Q45. In case it is decided to merge the scopes of the extant IP-I Registration and the Digital Connectivity Infrastructure Provider (DCIP) authorization into a single authorization under the Telecommunications Act, 2023, what should be the: -**

**i. Amount of application processing fees**

**ii. Amount of entry fees**

**iii. Any other Fees/Charge**

**iv. Minimum equity and net worth etc. of the Authorised entity.**

**Please support your response with proper justification.**

**Response:**

This should be nominal fee/ existing fee of the IP-1

**Q46. For MNP license and CMRTS authorisation, should the amount of entry fee and provisions of bank guarantees be:**

**i. kept same as existing for the respective license/authorisation.**

**ii. kept the same as recommended by the Authority vide its Recommendations dated 19.09.2023**

**iii. or some other provisions may be made for the purpose of Entry Fee and Bank Guarantees**

**Please support your response with proper justification separately for each authorisation.**

**Response:**

No comments

**Q47. For other standalone licenses/ registrations/ authorisations/ permissions, should the existing framework for financial conditions be continued? Please provide detailed justification.**

**Response:**

The existing financial conditions to be continued as it offers stability, predictability, and proven effectiveness. The existing framework has established mechanisms for monitoring, compliance, and enforcement, which have proven effective over time.

**Q48. If answer to question above is no, what should be the new/revised financial requirement viz. bank guarantee/ entry fee/ processing fee/ authorisation fees/ registration fees or any other charge/ fees? Please provide detailed justification in support of your response for each other license/ registration/ authorisation/ permission separately.**

**Response:**

Not applicable

**Q49. In case of the merged M2M-WPAN/WLAN service authorisation, what should be the processing fees or any other applicable fees/ charges. Please support your response with proper justification.**

**Response:**

The processing fee should be nominal/nill or it should be as per the TRAI's recommendation dated on 19th Sept 2023.

**Q50. In the interest of ease of doing business, is there a need to replace the Affidavit to be submitted with quarterly payment of license fee and spectrum usage charges with a Self-Certificate (with similar content)? Please justify your response.**

**Response:**

We propose to dis-continue the requirement of affidavit along with payment of quarterly License fee. In the interest of ease of doing business, we strongly support to submit a self-certificate (with similar content) along with quarterly license fee payments.

Justification:- The annual LF assessment is carried out based on Annual Audited AGR statements, duly certified by Statutory Auditors. So, submission of quarterly AGRs & Affidavits, along with quarterly payments, has no significance, in ascertaining the annual LF liabilities.

**Q51. Is there a need to revise/ modify/simplify any of the existing formats of Statement of Revenue Share and License Fee for each license/authorisation (as detailed at Annexure 3.2)? In case the answer to the question is yes, please provide the list of items to be included or to be deleted from the formats along with detailed justification for the inclusion/deletion.**

**Response:**

Yes. It is proposed that submission of quarterly 'Statement of Revenue and License Fee' signed by Licensee, should be discontinued. Quarterly payments of License-fee should be made based on the data filled in SARAS portal and self-certification, in respective quarters. At the end of the financial year, licensee submit Annual Audited AGRs duly certified by Statutory Auditors of the company. Based on the Annual Audited AGRs, the LF liabilities are ascertained and any shortfall of LF dues attracts interest at applicable rates.

Further, for submission of Annual Audited AGRs the formats of 'Statement of Revenue and License-fee' should be modified by deleting the ApGR provisions, please refer to our answer to Q-36-38. The purpose of ApGR is declared non telecom and Other income (Interest, Dividend, Capital Gains, Forex Gain etc.), which is duly served by the Reconciliation statement, wherein the details of Gross Revenue (as per P&L), Non Telecom revenue, Other Income etc. is provided. Accordingly, the said formats are required to be appropriately modified based on our proposed definition of GRs under various service authorizations. Please refer to our answer to Q 36-38.

**Q52. In case of a unified service authorisation for the provision of end-to-end telecommunication services with pan-India service area, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.**

The format of the Statement of Revenue Share and License Fee should be designed to be straightforward and user-friendly. It should focus on capturing only the relevant financial details to simplify the compliance process for service providers. Here are the key elements and justifications for this format:

1. Key Elements of the Format:
  - o Gross Revenue: This section should include the total revenue generated from the authorised /licensed telecom activities only for which the authorisation or license has been granted.
  - o Deductions: This section should detail allowable deductions, such as charges paid to other authorised entities for procuring similar services.
  - o Net Revenue: The net revenue should be calculated as gross revenue minus the allowable deductions. The license fee will be levied on this net revenue.
2. Exclusion of Non-Relevant Details:



o Non-Applicable Details: Items such as ApGR (Adjusted Gross Revenue) and other non-relevant income sources should be excluded from the format to avoid unnecessary complexity and focus solely on the revenue generated from authorised activities.

3. Justification:

o Simplification: A simplified format that includes only the necessary details (gross revenue, deductions, and net revenue) will make it easier for service providers to fill out and submit the statement, reducing administrative burdens and potential errors.

o Relevance: By focusing on net revenue from authorised activities, the format ensures that the license fee is accurately based on the actual earnings from the provision of telecommunication services. This approach prevents the inclusion of unrelated income, providing a fair and transparent basis for calculating the license fee.

o Clarity: Removing non-applicable details like ApGR and other income ensures that the format remains clear and straightforward, making it easier for both the service providers and regulatory authorities to understand and verify the information.

**Q53. In case the scope of Internet Service authorization is enhanced, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.**

**Response: -**

Please refer response in Q. 52

**Q54. In case of merged extant NLD Service authorization and ILD Service authorization into a single authorization namely Long Distance Service authorization, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.**

**Response:**

Please refer response in Q. 52

**Q55. In case of merged extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorization namely Satellite-based Telecommunication Service authorization, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.**

**Response:-**

Not applicable

**Q56. In case you have proposed to club the scope of some of other authorizations OR introduce certain new authorisations/ sub-categories of authorisations, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.**

**Response:-**

Please refer response in Q. 52

**Q57. Whether there is a need to review/ simplify the norms for the preparation of annual financial statements (that is, the statements of Revenue and License Fee) of the various service authorizations under UL, UL(VNO) and MNP licenses? Please give detailed response with proper justification for each authorization/license separately.**

**Response:-**

The current norms require detailed reporting of all revenues, including revenues from non-core activities, which adds complexity to the preparation of statement of revenue and license fees.

Proposed Simplification:

- **Allow Deductions at Par with New Authorisation:** Align the deductions allowed under UL with those permitted under new authorisations. This ensures uniformity and fairness across different types of authorisations.
- **Levy Fees on Net Revenue from Licensed Telecom Activities Only:** Calculate license fees based on net revenue, which is gross revenue minus allowable deductions. Charges paid to other license holder to procure similar services, shall be allowed as deduction. This focuses on revenue generated from core licensed activities and eliminates the cascading effect of license fees, ultimately reduces cost to the end users.
- **Exclusion of Non-Relevant Revenue:** Exclude revenue from non-core activities (e.g., interest, profit on the sale of fixed assets) from the calculation of license fees. This simplifies the financial statements and ensures that fees are based on relevant income only.

Justification:

- **Simplification:** Reduces the complexity of financial statements by focusing on core revenue streams.
- **Fairness:** Ensures that license fees are based on actual earnings from licensed activities, not on unrelated income.
- **Transparency:** Provides a clear and straightforward basis for calculating license fees, making it easier for service providers to comply and for regulators to audit.

**Q58. In case of migration, how the entry fee already paid by the company be calculated/ prescribed for the relevant authorisation(s)? Please provide detailed justification in support of your response.**

**Response:-**

a) **No Additional Fees for Migration:**

- **Rationale:** Existing license holders should not be burdened with additional entry fees when migrating to a new authorisation regime. This ensures a smooth transition and encourages existing players to upgrade without financial implications.

b) Proportionate Credit for Entry Fees Paid:

- Rationale: If the new authorisation has no entry fees or significantly lower entry fees compared to what existing license holders paid, the latter should receive a proportionate credit for the entry fees they originally paid. This ensures fairness and acknowledges the investment made by existing license holders under the previous regime.

c) Credit Adjustment Mechanism:

- Implementation: The proportionate credit should be adjusted against future license fees payable by the existing license holders. This adjustment can be applied under either the old regime (if the license holder chooses not to migrate) or the new regime (if they opt for migration).

d) Carry Forward Mechanism:

- Allocations and approvals granted to existing license holders may be carried forward, regardless of whether they choose to migrate to a new licensing framework or not."

**Q59. Should the application processing fee be applicable in case of migration? In case the response is yes, what should be amount of application processing fee? Please give reason(s) in support of your answer.**

**Response:-**

There should be no any application processing fee to be paid in case of migration for the existing license.

**Q60. What should be terms and conditions of security interest which Government may prescribe? Please provide detailed response.**

**Response:-**

No comments

**Q61. Whether there are any other issues/ suggestions relevant to the fees and charges for the authorisations to provide telecommunication services? The same may be submitted with proper explanation and justification.**

**Response:-**

On the issue of fees and charges, it is requested that recent TRAI Recommendations on Rationalization of Entry Fee and Bank Guarantees dated 19.09.2023 may be duly considered while recommending Entry Fee for various Service authorizations both in letter as well as spirit. There is not much change in circumstances since TRAI issued its aforesaid recommendations on the issue of entry fee and this would go a long way in attracting more players in the field of telecom services.