

**No.:205/TRAI/2024-25/ACTO**

**Dated: 8<sup>th</sup> August, 2024**

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**Sub: ACTO's Response to TRAI's Consultation Paper dated July 11, 2024 on the Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023**

Dear Sir,

With reference to the Consultation Paper on the Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023 issued by Hon'ble Authority Association of Competitive Telecom Operators (ACTO), is pleased to provide our comments.

We hope that our comments (enclosed as Annexure – I & II) will merit consideration of the Hon'ble Authority.

With best regards,

Thanking you,

Yours sincerely

For Association of Competitive Telecom Operators

Director

Encl: As above

## Annexure-I

### **ACTO's comments on TRAI's Consultation Paper on the Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023**

ACTO appreciates the chance to comment on TRAI's Consultation Paper regarding the Telecommunications Act, 2023. This timely paper addresses crucial changes in the telecom and tech landscape. To encourage innovation and investment, the framework should be futuristic, technology-neutral, and service-agnostic, aligning with global best practices.

The executive summary of our response is as below:

1. Comprehensive rights to the service providers and legally binding enforcement options as available today under the Licensing Regime shall be available even after migration to new authorization regime.
2. We favour Pan India Unified Service Authorization. However, any move towards same require a detailed consultation on various aspects and the Authority is requested to bring a separate detailed consultation paper to discuss all aspects.
3. Scope of ISP Authorization may be enhanced to include application layer VPN/ VPN internet.
4. Scope of NLD and ILD License may be merged under Long Distance Authorization.
5. Scope of VSAT-CUG and GMPCS may be merged into a Satellite service license.
6. Introduce PAN India internet telephony service authorisation.
7. Enhancements to scope of authorizations shall not result in additional compliances i.e. in addition to the compliances being imposed on services under the current Licensing regime.
8. Overall compliances should be looked afresh and reforms may be carried with focus towards light touch regulations and ease of doing business.
9. Enterprise regulation may be looked in differently and retail segment-based compliances shall not be made applicable for services provided to enterprises.
10. Migration from existing license to new regime shall not be mandatory but it may be optional. The licensee shall have the option of migrating upon completion of tenure of license. Enabling provisions of the Telecommunications Act, 2023 such as rationalization of penalties shall also be made applicable to existing licenses by way of amendments.
11. Sharing of infrastructure – active and passive may be allowed across licenses with no artificial distinction.
12. Uniform license fee for all service authorizations. Clear and unambiguous definition of telecom service for simple LF calculation to avoid multiple audits and litigations.
13. No multiple levies of License Fee for telecom services in B2B mode of transactions among TSPs/ISPs.

14. No further entry fee for renewal/ migration of license to same or equivalent service authorisations.
15. Request to remove the ownership requirement of network and equipment in the existing license, instead it should facilitate for shared infrastructure.

With the aforesaid submissions, our details response to the questions posed in the consultation paper is 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.**

**ACTO's response:**

We are broadly supportive of the proposed authorisation-based regime as envisaged under Section 3(1) of the Telecommunications Act, 2023 wherein the applicant entity shall be granted an authorisation in place of the extant practice of the Central Government entering into a license agreement. This is in line with the international best practices, prevalent in major markets in the world including the United States, Europe, Canada, and the United Kingdom. In terms of the safeguards to protect the reasonable interest of the authorised entities the licensing framework may take into account the following broad principles-

1. **Provide Legal certainty to the Licensees:** The current practice of granting Licenses entails a formal contractual agreement between the Licensor and the Licensee to operate, maintain the telecom services and perform the associated activities. The agreement grants comprehensive rights to the licensees and also legally binding for enforcement options. Therefore, under the proposed authorisation regime, it needs to be ensured that the authorised entities continue to hold such privileges or incidental rights thereto to operate, maintain the telecom services and perform the associated activities including the scope, duration and conditions of use. In addition, the regime should provide necessary legal certainty and binding enforcement options for dispute redressal by:
  - Clearly defining the terms and conditions and outlining the rights and obligations of the authorized entity.
  - Provisions for periodic review and revision of the authorization terms to ensure they remain relevant and in line with market and technology developments.
  - Provision for a transitional period to facilitate a smooth transition to the amended rules.
2. **Ensure Regulatory predictability:** The authorisation regime needs to include robust protection against arbitrary revocation and provide for an effective means to address the same. Under the current licensing regime, the Licensees are granted robust legal recourse options for redressal of their grievances which are enforceable through civil courts and

alternate dispute redressal mechanisms such as the TDSAT. Therefore, under the new regime:

- The authorisation regime needs to ensure similar level of protections to avoid limiting the enforcement options by providing dispute resolution mechanisms to address any potential conflicts or disagreements between the authorized entity and the government.
  - The dispute resolution process to ensure that decisions are made based on objective criteria and in a fair and non-discriminatory manner.
  - Adequate notice period for any changes or amendments to the authorization terms, allowing authorized entities to adapt their operations accordingly.
  - Prior consultation with the authorized entities before making any significant changes to the rules.
3. A simpler authorization regime with light touch regulation will be helpful in:
- Promoting competition in the market by reducing entry barriers through a simplified authorization process which may encourage more players to enter the telecom market;
  - Faster deployment of services by removing the need for complex licensing procedures;
  - Encouraging investment as investors may feel more confident in making long-term investments, leading to infrastructure development, improved connectivity, and economic growth.
  - Increase flexibility and adaptability in responding to market changes and technological advancements to adapt their services and business models more easily, fostering innovation and meeting evolving consumer demands.
  - Regulatory efficiency by reducing administrative burdens and costs associated with licensing processes.

And finally, this would be in line with international practice leading to harmonization which can promote cross-border investments, interoperability, and cooperation among telecom operators, benefiting both domestic and international users.

**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.**

**ACTO's response:**

As mentioned in the response to the preceding question no.1 granting authorizations in the form of an authorization document containing the essential aspects of the authorization, along with the terms and conditions included in the form of rules, would be appropriate so long as it provides the necessary legal certainty and regulatory predictability to the applicants.

The terms of the authorization document should be aligned with the business offering. The key essential aspects of the authorization document, such as scope of service, period of validity,

authorization fee, and compliances as per business offer shall ensure that authorized entities have a clear understanding of their rights and responsibilities proportionate to their service offering. It also facilitates ease of compliance and reduces ambiguity. This ensures that the authorization framework remains fit for purpose and aligned with the evolving industry landscape.

- **Enterprise Specificity:** The authorisation framework should recognize the unique needs of the B2B sector, which are distinct from those of the consumer/retail segment. Current policies primarily address consumer services and may not cater to enterprise requirements. As future technology use cases increasingly focus on enterprises, this review offers a chance for the government to incentivize investment and innovation by providing a flexible, enterprise-specific policy framework.
- **Regulatory Simplification:** To foster investment and innovation, the new regime should simplify regulations, relying on existing horizontal competition and consumer protection rules. It should remove outdated compliance burdens and cost obstacles, which have risen significantly due to new requirements like IPDR, URL blocking, and centralized monitoring systems (CMS). The government might consider using the USOF fund to cover any necessary enhancements for security requirements.

**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.**

#### **ACTO's response:**

ACTO suggests the authorisation document should include terms and conditions including the essential information on the application process, eligibility conditions, conditions for transfer/ Merger of the license etc. in the General Rules under the Telecommunications Act, 2023. In addition, we propose changes to the existing terms of the Unified License with the suggested language as per Annexure II attached to this response. This is to ensure that the authorisation remains relevant and fit for purpose aligned with the needs of the consumer, business and the technology trends. At a high-level we have suggested a review of the Unified License terms including but not limited to:

- a. FDI policy restrictions on the authorized entity especially for existing authorized entities.

- b. Active and Passive infrastructure sharing.
- c. Telecom Security & Trusted Telecom Requirements to be aligned.
- d. Compliance pertaining to 20x20 monitoring rooms to be reviewed.

**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.**

**ACTO's response:**

To ensure long-term regulatory stability and business continuity of service providers while maintaining a dynamic and evolving authorization framework, the following safeguards can be put in place:

- **Periodic Review and Revision:** Implement a system for regular review and updating of authorizations and rules to keep pace with technological advancements and market changes, ensuring minimal disruption to service providers.
- **Stakeholder Consultation:** Engage regularly with stakeholders, including service providers, industry associations, consumer groups, and experts, to gather feedback and ensure that updates to authorizations are well-informed and address sector needs.
- **Transitional Provisions:** Include transitional provisions to give service providers ample time to adjust to changes, ensuring a smooth transition and reducing business disruptions.
- **Regulatory Predictability:** Create clear, transparent regulatory processes and decision-making criteria to provide a stable and predictable environment for service providers.
- **Regulatory Impact Assessment:** Conduct regular assessments to evaluate the effects of proposed changes, identifying risks and implementing mitigation measures.
- **Dispute Resolution Mechanism:** Establish an efficient, impartial process for resolving disputes between the regulatory authority and authorized entities to maintain fairness and regulatory stability.

**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.**

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**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) Should assignment of terrestrial access and backhaul spectrum be continued at the telecom circle/ Metro area level for such an authorisation?
- (e) Any other suggestion to protect the interest of other authorised entities / smaller players upon the introduction of such an authorisation.

Kindly provide a detailed response with justification.

### **ACTO's response:**

ACTO advocates for a single national unified license including all authorizations that would allow providers to offer all telecommunications services nationwide, in line with the "One Nation – One License" goal of the National Telecommunications Policy. This license should include all necessary authorizations, such as Access, NLD, ILD, ISP, VSAT, Satellite, CUG, IPLC resale, INSAT MSS-R, GMPCS, M2M, Audiotex and UL-VNO.

The current Unified (All Services) Authorization simply combines various licenses into one without delivering significant technical or operational benefits like better interconnection, streamlined license fees, or unified communications.

A true "One Nation – One License" approach is crucial for giving both established and new market players real advantages. Despite India's rapid 5G progress, further opportunities in unified communications, satellite services, and M2M solutions remain untapped and would benefit from a National Unified License.

Some of the perceived advantages of National level unified License:

- A. Simplification and Efficiency:** A unified service authorization streamlines the process by eliminating the need for multiple service-specific licenses. This simplification reduces administrative burdens and enhances efficiency, making it easier for service providers to operate.
- B. Seamless Service Provision:** With a unified authorization, service providers can deliver end-to-end telecommunications services nationwide without needing separate licenses for different areas. This ensures seamless connectivity and a better user experience.
- C. Flexibility and Innovation:** A unified authorization offers the flexibility to provide a broad range of services under a single license. This encourages innovation and the development of advanced telecommunications services.
- D. Market Competition:** By allowing providers to offer a comprehensive array of services nationwide, a unified authorization fosters healthy competition. This benefits consumers



with more choices and higher-quality services while driving innovation, investment, and economic growth.

- E. Regulatory Oversight:** A unified authorization facilitates better regulatory oversight by giving the government a comprehensive view of the services provided. It ensures consistent compliance with regulations, simplifies adherence for providers, and promotes a fair market environment.

**The terms and conditions for this authorization may include:**

- A.** A unified national service authorization should cover all telecommunications services—voice, data, multimedia, and emerging technologies like satellite and unified communications—across the country. This allows providers to offer a comprehensive range of services without geographic limitations.
- B.** The authorization terms should cover:
- **Technical/ Network:** Single or multi-interconnection for Pan India level as per convenience of both the parties against the mandate of circle level SBC for Voice. TRAI may prescribe the IUC upper cap, if needed. Allowing interconnection of PSTN and CUG/ VPN network.
  - **Operational:** Avoid cumbersome process of service delivery, roll out obligations, customer support, and complaint handling etc.
  - **Compliance:** A service provider with a Pan India unified service authorization shall be permitted to deliver any authorized services without needing new approvals for offering various services at different intervals. Merely notifying the Department of Telecom (DoT) to include or exclude any telecommunication service shall suffice.
  - **Security:** Essential measures for network integrity, data protection, and cybersecurity, avoiding excessive compliance demands. LIM to be deployed only at gateway level and should be used for all set of services offered by National Unified licensee.
  - **Financial Requirements:** Reduced Adjusted Gross Revenue (AGR) percentages for license fees and financial reporting, with a clear AGR definition to distinguish telecom from non-telecom revenue, fostering investment and job creation.
- C.** Unified license should also allow budding operators to grow and provide interconnection at circle level if required.
- D.** Terrestrial access and backhaul spectrum should continue to be assigned at the telecom circle/metro level to manage local spectrum needs effectively and ensure optimal network performance.
- E.** To safeguard smaller players and ensure fair competition:
- **Fair Competition:** Regulate against anti-competitive practices and ensure equal resource access.
  - **Spectrum Allocation:** Distribute spectrum equitably to prevent dominance by a few players.



- **Interconnection:** Mandate circle level interconnection if asked by new TSP/entrant. Also, interoperability should prevail for better market dynamics.

F. The EU's electronic communications framework offers a model with standardized rules for technical, operational, and security requirements, alongside measures to foster competition and protect consumers.

**While we are in favour of a unified service authorization at a national level, however any move towards same require a detailed consultation on various aspects as indicated above such as interconnection, technical & operational, tariffs, security etc. Hence, while we support a unified service authorization at a national level but we would request the Authority to bring a separate detailed consultation paper to discuss all aspects.**

**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.**

**ACTO's response:**

Yes, there is an urgent need to broaden the scope of existing ISP License.

**ISPs should also be allowed to provide Application layer VPN or internet-based VPN to their customer:**

Currently, ISP are not allowed to create VPN while providing internet lease line to their customers however such restriction does not apply on the customer, and they may create VPN based on their captive architecture. Such regulatory arbitrage should be done away with and all ISP CAT A operators should have a flexibility to provide VPN based solution to their enterprise segment customer in India. This will open the gate for unified communications and upcoming solutions where customers would like to connect their offices via internet VPN for IP-Voice and data need.

Including Application layer VPNs within the scope of Internet Service authorization would enable authorized ISP A to offer a more comprehensive range of services to their customers. This would enable enterprise to establish secure and reliable connections between their various locations or with their partners.

As per the international best practices there is no such restriction to VPNs/ internet telephony over Internet and infrastructure sharing. Moreover, we can see now, all the current emerging technology and services routed over internet and hybrid mode of connectivity, and meeting all the requisite security compliance of country.

**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.

**ACTO's response:**

Our suggestions are to enhance the scope of services for ISP CAT A only. They are already subjected to uniform license fee, compliance to all security norms and quality of service requirements. The same relevant conditions may be applicable to ISP CAT A also due to enhancement of the scope of services as it is applicable in other service authorisations.

**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.**

**ACTO's response:**

Yes, there is a reasonable justification for merging the scopes of the extant National Long Distance (NLD) Service authorization and International Long Distance (ILD) Service authorization into a single authorization, namely Long-Distance Service authorization under the Telecommunications Act, 2023.

We broadly agree with TRAI's view that since most ILDOs also hold NLD licenses, maintaining separate licenses creates unnecessary administrative burdens. In the mobile telephony market, where operators are already integrated, merging NLD and ILD operations should not be a concern. This change would, however, benefit enterprise players offering CUG and VPN services to clients both domestically and internationally.

Further, operators should be allowed to provide domestic sub-sea connectivity which would benefit the nation with increased redundancy due to reduced fiber cuts, and latency free domestic networks.

Justifications for this are:

- 1. Simplification and Efficiency:** Combining NLD and ILD Service authorizations into a single Long-Distance Service authorization would streamline the process for service providers, eliminating separate authorizations and reducing administrative burdens.
- 2. Streamlined Operations:** A single authorization for long-distance services would allow providers to offer both national and international services seamlessly, enhancing operational efficiency and improving customer service.
- 3. Regulatory Oversight:** Merging NLD and ILD Service authorizations would improve regulatory oversight, giving authorities a comprehensive view of long-distance services and ensuring compliance with relevant regulations.

4. **Market Competition:** A unified Long-Distance Service authorization would foster healthy competition by enabling providers to offer a full range of long-distance services, benefiting consumers with more options and better quality.
5. **Global Practices:** In the United States, the Federal Communications Commission issues a single authorization for both national and international long-distance services. Similarly, the European Union's regulations cover both national and international long-distance services.
6. **Reduction in Authorizations:** This approach will also align with the Telecommunications Act, 2023, which aims to reduce the number of service authorizations and licenses.

**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.**

**ACTO's response:**

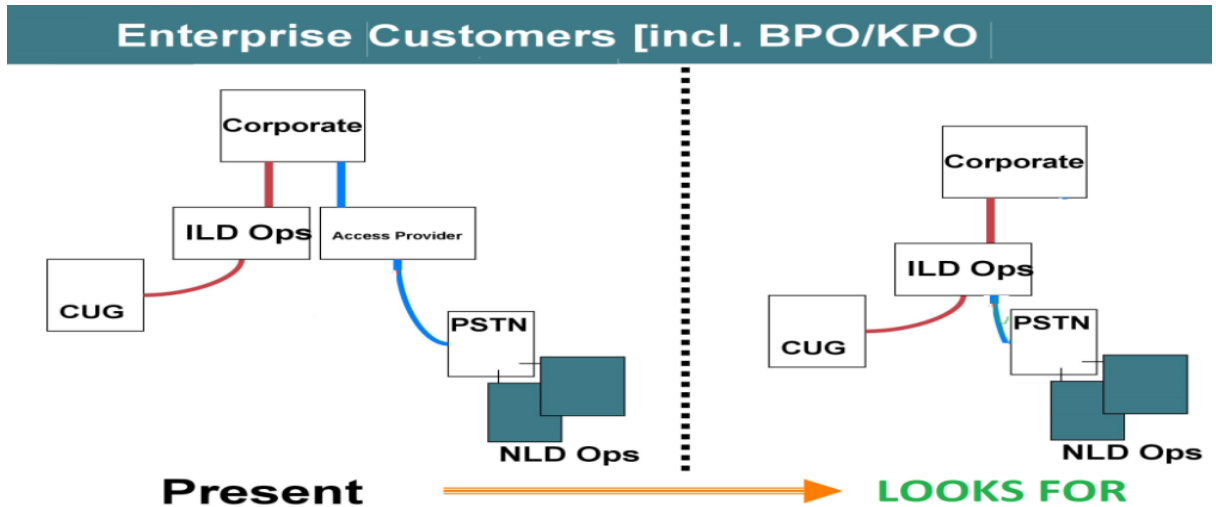
ACTO supports the merger the scope of the extant NLD Service authorization and ILD Service authorization into a single authorisation namely Long-Distance Service authorisation under the Telecommunications Act, 2023. This will not only reduce the number of service authorisations as stated aim of the Telecommunications Act, 2023 but also it will reduce the compliance requirements. It should be ensured that no further additional compliance like the requirement of LIM in case of ILD but not required for NLD operations requirement due to this merger.

We also suggest for the removal of license restriction on the existing interconnection between PSTN and leased line based CUG/ IPVPN network in ILDO/NLDO. This will add more flexibility in the NLD/ILD business without any revenue loss in terms of license fee, IUC etc.

The Current license condition restricts the interconnectivity between PSTN and leased line based CUG/ IPVPN network in ILDO/NLDO license vide clause no. 2.2(b):

*“2.2 (b)ILD service provider can enter into an arrangement for leased lines with the Access Providers/NLD service provider. Further, ILD Service Providers can access the subscribers directly only for provision of international Leased Circuits/Close User Groups (CUGs). Leased circuit is defined as virtual private network (VPN) using circuit or packet switched (IP Protocol) technology apart from point to point non-switched physical*

connections/transmission bandwidth. **Public network is not to be connected with leased circuits/CUGs.** ILDOs offer voice as well which is permitted to interconnect.”



The above diagram illustrates the current restriction and what we are looking for in the case of enterprise customers like BPO/KPOs.

The current restriction on IP to PSTN for ILDOs poses a major barrier as such service restriction make services less competitive and the customers are not able to avail the benefits of technological innovations and convergence. We suggest removing the interconnection barriers. Regulatory and policy should not impede the growth of the sector and deprive the technological benefit to the end users/customers. The following reasons further substantiate our ask:

**1. NDCP -2018 states to remove the restriction on inter connectivity and allows for IP-PSTN switching as mentioned below:**

*“1.1 (g) Enabling Infrastructure Convergence of IT, telecom:*

*i Amending the Indian Telegraph Act, 1885 and other relevant acts for the purpose of convergence in coordination with respective ministries.*

*iii Restructuring of legal, licensing and regulatory frameworks for reaping the benefits of convergence.*

*iv Allowing benefits of convergence in areas such as IP-PSTN switching.”*

**2. No toll by pass due to IP-PSTN interconnection:**

TRAI/DOT has made provision to pay interconnection charges for IP-PSTN and it is being reviewed by TRAI periodically. TSPs are mandated to pay the required interconnection charges as fixed by TRAI and thereby all calls/data will flow as per license agreement without having any toll bypass. Concern related to bypass of international traffic does not apply as ILDOs are the only operators responsible for carrying the same and all other rules like IUC will also be similarly applicable. In fact, allowing interconnection will eliminate any possible toll bypass as current interconnect charges are minimal.

**3. Interconnection of IP-IP, IP-PSTN allowed in access license:**

DoT had allowed Interconnection over IP Networks allowed vide its amendment dated 19<sup>th</sup> April 2016 in UL vide license clause 27.3 in order to make LTE/4G network (fully IP based) works with the existing PSTN seamlessly.

**4. Global trends on Interconnection between Public Networks with leased circuits/CUGs:**

Interconnection between Public networks with leased circuits/CUGs is allowed in most of the countries in the world. In Asia it is allowed in Hongkong, Indonesia, Malaysia, Singapore, Philippines, Vietnam, and Japan etc. In Europe it is allowed in Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Hungary, and Italy etc. It is also allowed in North America in Canada, Mexico & in South America in Argentina, Brazil, New Zealand, Australia and Colombia. We only see such a restriction in India which is one of the major barriers to addressing emerging technologies solutions.

**5. Need to remove the asymmetry vis a vis other country:**

Over more than a decade interconnection of IP-PSTN is working seamlessly in most of the countries as mentioned above. In India, it is not allowed so far and thereby creating an asymmetry of interconnection as other end of the line is terminated with PSTN but not in India. There is no risk at all in allowing this interconnection and the same would also end the existing asymmetry of IP-PSTN interconnection.

**6. Benefits of allowing interconnection between Public Networks with leased circuits/CUGs**

The removal of existing restrictions on linking different PSTN, IP, VPN and CUG networks would better allow the communications, emerging services, and technology services provided by telecom licensed service providers to facilitate these enterprises to achieve their business objectives and thus assist the continued growth of India's economy.

**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.**

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**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, -**

**(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.**

**ACTO's response:**

The current licenses catering to satellite services places restrictions on what can be done using the satellite technology. The current technology enhancement of Satellited based services

have led to a situation wherein the existing bifurcation of license for provision of satellite services result in placing artificial restriction on provision on satellite services. Hence, for providing a bouquet of services using satellite technology without any artificial restriction, this is a right time for merging 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.

Further justifications for this include:

- 1. Simplification and efficiency:** Merging the scopes of GMPCS and Commercial VSAT CUG Service authorizations into a single Satellite-based Telecommunication Service authorization would simplify the authorization process for service providers. It would eliminate the need for separate authorizations and reduce administrative burden.
- 2. Technological convergence:** Satellite-based telecommunication services, such as GMPCS and Commercial VSAT CUG, often utilize similar satellite infrastructure and technologies. Merging the scopes of these authorizations reflects the convergence of satellite-based services and aligns with market realities.
- 3. Streamlined operations:** A single authorization for satellite-based telecommunication services would enable service providers to offer a comprehensive range of satellite-based services seamlessly. This would streamline their operations and improve service delivery to customers.
- 4. Regulatory consistency:** Merging the scopes of GMPCS and Commercial VSAT CUG Service authorizations would enhance regulatory oversight and monitoring of satellite-based services. It would allow the government to have a holistic view of the services being provided and ensure compliance with the applicable rules and regulations. It will also ensure regulatory consistency and avoids duplication of regulatory requirements.
- 5. Market competition:** A unified Satellite-based Telecommunication Service authorization would promote healthy competition in the satellite-based service market. It would allow authorized entities to offer a comprehensive range of services, benefiting consumers by providing them with more choices and better-quality of services.

In view of the above, we recommend 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.

The scope of Satellite-based Telecommunication Service authorization under the Telecommunications Act, 2023 shall include provision of:

- Internet services to the end customer, enterprise, other eligible telecom service providers.
- Access/ Voice services to the end customer, enterprise, other eligible telecom service providers.
- VPN/ CUG/ Data links to the end customer, enterprise, other eligible telecom service providers.

The terms and condition of Satellite-based Telecommunication Service authorization under the Telecommunications Act, 2023 shall include the merged conditions as applicable to VSAT-CUG and GMPCS license separately.



**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.**

**&**

**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.**

**ACTO's response:**

IP-I registration was introduced for building passive infrastructure required for TSPs/ISPs and it was under registration without license fee. However, in the TRAI recommendation the scope for DCIP was enhanced to include all active infrastructure excluding core network but recommended to put under license without license fee. TSPs had argued strongly during TRAI consultation process to put under license with license fee mainly for two reasons:

- a) Putting DCIP in cost advantage over Access/ NLD/ ISP business due to license fee anomaly.
- b) High possibility of license arbitrage as the similar service provided by Access/ NLD/ ISP and DCIP, one is liable for License fee and other is not.

Further, consequent to historical reasons all operators have already deployed their network. It is therefore prudent to allow full infra sharing both passive and active between the licensees/ authorization and different licenses/ authorization held by the TSP itself. The same has been duly recommended by TRAI in its latest recommendations on Telecommunication Infrastructure Sharing, Spectrum Sharing and Spectrum Leasing.

For the aforesaid reasons, we recommend that the:

- There is no requirement of a DCIP authorization perse.
- Scope of IP-I and DCIP be kept separate if it is deemed required by the Authority.
- DCIP shall be subjected to License Fees as is applicable to other authorization/ License

**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.

**ACTO's response:**

No comments.

**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.**

**ACTO's response:**

No Comments.

**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.

**ACTO's response:**

As on date, an entity who wishes to provide full-fledged internet telephony is required to take Unified License – Access Authorization for all 22 Licensed service areas to be able to provide Pan-India services. Internet Telephony as a service has Nationwide reach, and for similar reasons Audio Conferencing was a couple years back converted by DoT from SDCA specific license to Nationwide license.

The Authority may consider introducing a new Pan India Authorization for Internet Telephony Services. This shall also include allowing numbers to be allocated on a Nationwide basis which can be done by creating a new LRN for Nationwide numbers. This will make the service truly Unified.

**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 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.

**ACTO's response:**

As we know, technological development happens faster than the changes required in the regulatory provisions. We therefore have the following submissions:

**A. Enterprise Services and the Importance of a “Fit for Purpose” Regulatory Environment:**

A key area for reform is simplifying regulatory obligations for service providers supporting enterprise customers. These services are crucial for the modern, interconnected economy, offering high-speed data, security, and IT solutions essential for global business operations.

However, outdated regulations hinder the growth of these technologies. Many countries periodically review their regulatory frameworks to ensure they align with market realities and support innovation.

Regulators should evaluate and potentially update regulations to reflect the unique needs of enterprise services. For example, regulations designed to protect mass-market consumers—such as tariff publication, consumer complaint procedures, and service termination rules—are often unnecessary for enterprise services, where contracts are negotiated individually.

Removing or adjusting these outdated requirements can streamline operations without negatively impacting consumers or competition, as enterprise customers have the ability to negotiate their service terms.

**Our suggestions:**

**There is a need to clearly distinguish enterprise customers/ services from retail customers/ services under the new license framework. The enterprise offerings should not be mandated to follow the compliances/ regulatory regime applicable to the mass market /consumer service providers, as this only adds to the cost and ease of doing business of the former without any significant benefits to any stakeholder.**

**B. IOT/ M2M:**

Policy/regulatory framework towards M2M/IoT should be oriented on supporting global deployment of M2M/ IoT solutions, thereby optimizing scale and reach of IoT within individual countries. The distinctions between M2M/IOT devices and traditional mobile phones should be recognized and the corresponding need for light-touch treatment of M2M/ IoT. Therefore, it is suggested that there should be a discouragement towards the creation of country-specific, M2M/ IoT-specific regulatory frameworks and instead encourage development of regional or global frameworks. This includes:

1. Encouraging appropriate application of existing consumer protection regimes (e.g., for privacy and data security) to M2M/IoT versus creating novel M2M/IoT-specific frameworks.

2. **Roaming:** Promote a framework for the effective global deployment of M2M/IoT solutions using mobile networks and permanent roaming agreements between MNOs.
3. **Standards:** Support continued development and adoption of international standards pertinent to M2M/IoT.
4. **Taxes:** Avoid application of voice-based service taxes to IoT-based services, which may operate with very different revenue and business model assumptions.

**Detailed submissions with reasoning on the terms and conditions that needs deletion and/ or modification as applicable under the existing licensing regime is placed at Annexure - II**

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.

&

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.

&

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.

**ACTO's response:**

1. **Align VNO Scope with Full-Fledged Authorizations:** The scope of VNO authorization shall mirror the corresponding authorization allowing full-fledged network deployment. In that regard, it is recommended to merge the VNO authorization for ILD services and resale of IPLC services to bring it at par with corresponding ILD authorization. Further, the full-fledged authorization shall be allowed to also have the scope defined under the VNO authorization implying that the entity having a full-fledged authorization shall not be required to take corresponding VNO authorization for reselling. Also, the deductions allowed under VNO authorization shall also be made applicable under the corresponding authorization.

- 2. Revise Multi-Parenting Restrictions:** The TRAI consultation should remove restrictions on Access Service VNOs partnering with multiple Network Service Operators (NSOs) for both wireless and wireline services. Current restrictions limit competition and service quality by binding VNOs to a single NSO. Allowing multi-parenting will foster competition and improve service availability.

**Justifications:**

- **Promoting Competition:** Multiple NSO partnerships enhance market competition and service options for VNOs.
- **Service Availability:** Leveraging infrastructure from various NSOs will improve service coverage and availability.

**Recommended Conditions:**

- **Fair Access:** Ensure VNOs have non-discriminatory access to NSO infrastructure.
  - **Quality of Service:** Set standards to ensure reliable and high-quality services.
  - **Dispute Resolution:** Implement a fair and efficient process for resolving conflicts between VNOs and NSOs.
- These changes will support competition, enhance service delivery, and streamline market operations.

**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.**

**ACTO's response:**

Our response to this question is same as given in question 18.

**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.**

**ACTO's response:**

**1. DCIP:**

With respect to Digital Connectivity Infrastructure Provider (DCIP) Authorization, we reiterate our view as submitted during TRAI consultation process that if its considered to be one of the authorizations than it should be put under license fee in order to ensure market level playing field with ISP/NLD/ ILD Operators.

**2. CDN:**

Regarding Content Delivery Networks (CDNs), we reaffirm our position submitted during the TRAI consultation process: CDNs should not be subject to license fees. CDNs improve network efficiency by reducing latency and network load due to their proximity to customers. We support TRAI's recommendation dated November 18, 2022, on this issue.

**3. IXP:**

With respect to IXP authorisations, ACTO supports the view of TRAI recommendation on Regulatory Framework for Promoting Data Economy Through Establishment of Data Centres, Content Delivery Networks, and Interconnect Exchanges in India dated 18<sup>th</sup> November 2022.

**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 mor than one NSO.**

**ACTO's response:**

With respect to Connectivity to Access Service VNOs from more than one NSO, ACTO suggests for the same and we have given detailed response in Question no. 18.

**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.**

**ACTO's response:**

During the TRAI consultation process on easing business operations, ACTO submitted a detailed response, and TRAI issued a recommendation on May 2, 2023. While some recommendations have been implemented, many remain outstanding. To avoid repetition, we are listing the items that have not yet been addressed and request TRAI to recommend the pending items as detailed below:

1. Infrastructure sharing (TRAI has already recommended on 24<sup>th</sup> April 2024) should be implemented immediately. There should not be any restriction between licensees (standalone or UL) and within licensee to share active infra (core or non-core) among various authorizations/licenses.
2. Removal of the provision for charging of license fee on the same resources every time when it is sold among TSPs/ISPs in B2B mode without allowing the deductions as it is available in Goods and Services Tax system (input credit). TRAI had recommended on 18.09.2017  
*“DoT may consider review of AGR components; and charges paid by UL (VNO) licensee to the TSP/NSO for procurement of services should be allowed to be deducted as pass through charges for the purpose of calculating the AGR, similar to other pass through charges permitted under UL like IUC, roaming charges etc. This will be in line with the Input Tax Credit (ITC) feature under Goods and Service Tax regime.”*  
 Request TRAI for recommendation towards the implementation of the NDCP-2018 especially as it relates to the following – “2.1 (b) ii. Reviewing the concept of pass-through charges to align the same with the principles of input line credit thereby avoiding double incidence of levies.”
3. The authorization framework should also allow the entity to have the scope of similar VNO authorization. The entity shall not be required to take separate VNO authorization for a service in case it has the authorization for the said service. Benefits of deductions in ApGR should be allowed to be applicable for the authorization as in case of VNO authorization for the same service.
4. Response based time bound query address system to the queries/applications.
5. Simplification of the Process on Remote Access (RA) Approval.
6. Avoid the requirement of duplicate infrastructure like 20ftX 20 ft room for LEA at LIM location in addition to deployment of CMS.
7. Clean and clear definition of licensed telecom services for simplified calculation of AGR/ApGR.
8. Reduction of entry fee and removal PBG along with reduction of bank guarantee (TRAI has already recommended on 19<sup>th</sup> September 2023)
9. Removal of regulatory restriction on network interconnection – Lease circuit termination to PSTN in case of NLD/ILD service authorisations.
10. Removal of regulatory restriction on Multi parenting UL VNO access service
11. Reduction of ever-increasing Network security compliance burden on TSPs/ISPs.
12. Simplification and faster Remote Access approval process to reduce the duplicate activities.

**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.**

**ACTO’s response:**

The current license, drafted over 20 years ago, emphasizes network and equipment ownership, which was relevant at the time. Today, however, we live in an era of infrastructure sharing, prevalent not only in telecom but also in sectors like transport and aviation.

Previously, telecom networks were over 90% hardware and a small portion software, making physical ownership crucial. Now, the situation is reversed, with over 90% being software and less than 10% hardware. Further, utilizing the infrastructure of cloud is more prudent as it allows due redundancy and greater security owing to its distributed architecture. Thus, physical ownership is no longer relevant and has lost its importance. Due control on the software being deployed is of utmost importance in the present scenario.

Sharing of infrastructure enables saving in today's business model across all sectors. Globally, infrastructure sharing in telecom is a norm. DoT has also permitted infrastructure sharing in several areas. TRAI had made recommendation to DoT for uniform and wide scale infrastructure sharing among TSPs/ISPs.

ACTO suggests that the current requirement of ownership of network and equipment should be removed in the new authorisations structure and on the contrary, sharing should be promoted for cost saving, additional redundancy and better control.

**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.**

**ACTO's 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.**

**ACTO's response:**

No comments.

**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.**

**ACTO's 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.**

**ACTO's 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.**

**&**

**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.**

**ACTO's response:**

The Telecommunication Act, 2023 aims to revamp the existing licensing framework for telecommunications networks, and radio equipment. Unlike the previous legal framework, which required over 100 types of licences, registrations, and permissions, the Act simplifies the process by consolidating many of these into a single authorization mechanism.

The aim of the act suggests to facilitate the ease of migration to new authorisations or renewal of licenses. As it should be facilitating in nature, the procedure should be simple and without any additional cost burden otherwise, the act permits to continue with old licenses, which will defeat the aim of the act.

With respect to Entry Fee on renewal of license, TRAI had recommended (dated 19<sup>th</sup> September 2023) vide Para 2.129 as:

*“The Authority recommends that entry fee should be levied only at the time of entry and not at the time of renewal of license.”*

There is confusion regarding entry fees for renewal and migration under the new regime. Entities with long-standing licenses should not incur entry fees for renewal or migration, as they have already proven their commitment and paid the initial fee. TRAI should clarify this in its recommendations.

**ACTO opines that the entry fee was meant for new entrants or those seeking additional authorizations, not for existing operators migrating to the Unified License. Similarly, no entry fee should be charged when transitioning from standalone licenses to Unified Licenses or renewing any authorizations under the Unified License.**

These changes will streamline the licensing process and align with the objectives of the Telecommunication Act.

**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.**

**ACTO's response:**

We concur the view of the Authority 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.

**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.**

**&**

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

**ACTO's response:**

ACTO recommended that penalties under the draft Telecommunication Act be proportional to the violation. We commend DoT's reduction of the maximum penalty from Rs. 50 Crore to Rs. 5 Crore. The Act's penalty grades are:

1. Severe - Up to Rs. 5 Crore
2. Major - Up to Rs. 1 Crore
3. Moderate - Up to Rs. 10 Lakh
4. Minor - Up to Rs. 1 Lakh
5. Non-severe - Written Warning

These categories need clearer definitions to prevent misuse. Penalties should address issues like late submissions, security breaches, and QoS failures. Detailed definitions and examples are essential for clarity.

**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.**

**ACTO's response:**

While we are in favour of a unified service authorization at a national level, however any move towards same require a detailed consultation on various aspects as indicated above such as interconnection, technical & operational, tariffs, security etc. Hence, while we support a unified service authorization at a national level but we would request the Authority to bring a separate detailed consultation paper to discuss all aspects.

Notwithstanding above, our initial response on the on the aspects sought by TRAI is as below:

**A. Application Processing Fees:**

Charge a uniform processing fee for all service authorizations, focusing on financial accountability rather than revenue.

**B. Entry Fees:**

Entry fees should deter non-serious players, not serve as a revenue source. TRAI's recommendation of September 19, 2023, should clarify that long-standing entities should not pay entry fees for renewal or migration. Existing players should not face additional fees due to mergers or expanded service areas.

**C. Bank Guarantees:**

Eliminate Bank Guarantees (BGs) for licenses, as they are not required internationally and their removal from OSP licenses has been beneficial. BGs for Unified Licenses and other authorizations should be abolished, with existing BGs returned to licensees. If it is retained, then reduce the BGs by 50% and manage them centrally to streamline administrative work.

**D. Definitions of GR, ApGR, and AGR:**

**1. Removal of Multiple Levies on License Fees in B2B:**

Currently, telecom providers (e.g., ILD, NLD, Access, ISP) cannot deduct charges for bandwidth or leased lines from other operators when calculating license fees. The revenue definition under telecom licenses should allow deductions on a value-added basis to prevent multiple levies on consumers.

There is inconsistency in allowed deductions; some cases permit pass-through charges for voice traffic, IPLC, and UL VNO, while others do not. ACTO has previously addressed this issue with DOT and TRAI

**Our suggestions:**

Request TRAI for recommendation towards the implementation of the NDCP-2018 especially as it relates to the following – *“2.1 (b) ii. Reviewing the concept of pass-through charges to align the same with the principles of input line credit thereby avoiding double incidence of levies.”*

TRAI had also recommended on 18.09.2017 by stating *“...DoT may consider review of AGR components; and charges paid by UL (VNO) licensee to the TSP/NSO for procurement of services should be allowed to be deducted as pass through charges for the purpose of calculating the AGR, similar to other pass through charges permitted under UL like IUC, roaming charges etc. This will be in line with the Input Tax Credit (ITC) feature under Goods and Service Tax regime.”*

Subsequently, DoT had removed the multiple levies of License Fee in the UL (VNO) license vide license amendment dated 24<sup>th</sup> October 2018 by permitting deduction of charges paid to NSOs after TRAI recommendation.

**We recommend that similar to VNO licensee, NLD, ILD, ISP and Access licensees should also be allowed to claim bandwidth charges paid to other TSP as pass through to avoid double incidence of levies.**

**2. Levy of License Fee on Revenue from Non-Telecom Activities:**

DoT permits the deduction of non-telecom revenue from Gross Revenue (GR) to determine Applicable Gross Revenue (ApGR). However, recent AGR amendments failed to clearly define telecom and non-telecom activities, leading to potential inclusion of ancillary revenues in AGR, impacting license fees.

**Suggestion:** TRAI should specifically define telecom activities, restricting them to licensed services, and clearly allow deductions for non-licensed revenues to calculate ApGR accurately.

**3. Consolidated LF calculation and payment:**

We suggest for the consolidated calculation of license fee for all the service authorisations and deposit the same at one go. It will simplify the process of calculation and submission.

**4. Rate of authorisation fee:**

**8% of AGR should be reduced between 3-5% of AGR.**

**5. Minimum equity and networth of the Authorised entity**

This may be in line with the recent TRAI's recommendations dated 19.09.2023

**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.**

**ACTO's response:**

In the past, no additional charges like processing fee, entry and bank guarantee were taken while enhancing the scope of service for example, allowing unrestricted internet telephony in Access service authorisations, no additional charges were made. In case of addition of CUG over lease line in NLD/ILD licenses, no additional charges were made.

We have given our response for application processing fees, Entry fees, Bank guarantee, GR, ApGR and AGR in question Q36. The same is applicable in this case.

**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.**

**ACTO's response:**

Merger of NLD and ILD service authorisation to one single long distance service authorisation is one of the important steps to fulfil the aim of the act for reducing the number of authorisations to make more operational efficiency. Thus, in principle, there should not be any additional charges other the prevailing or reduced charges for both the service authorisations.

We have given our detailed response for application processing fees, Entry fees, Bank guarantee, GR, ApGR and AGR in question Q36. The same is applicable in this case.

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

**ACTO's response:**

No comments.

**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.**

**ACTO's response:**

No comments.

**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.**

**ACTO's response:**

No comments.

**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.**

**ACTO's response:**

Amount of application processing fee for service authorisations including VNOs to be a nominal one and the present amount may be continued.

**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.**

**&**

**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.**

**ACTO's response:**

With respect to entry fee for VNO, we broadly agree with TRAI recommendation dated 19.09.2023. However, charging full entry fee for lesser period of service authorisations due to coterminous conditions in UL license regime is not acceptable as it is against natural justice. We request TRAI for recommendation of prorated entry fee as per effective duration of service authorisation. The similar principle was used while introducing UL VNO by making the entry fee amount half as the duration of the authorisation was also made half from 20 years to 10 years. As it may be necessary to have coterminous condition in the general license conditions, our suggestion as above will ensure natural justice.

With respect to merging/clubbing of service authorisations in VNO, our response is same as given in Q38/Q36.

With respect to bank guarantee, we are in view for removal as detailed response is given in question no 36.

- 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 networth etc. of the Authorised entity.**
- Please support your response with proper justification.**

**ACTO's response:**

No comments.

- 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.**

**ACTO's response:**

No comments.

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



**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.**

**ACTO's response:**

As the Telecommunication Act 2023 permits to continue the existing licenses, the existing framework for financial conditions may be continued. However, migration to new regime should be facilitated by the way of no further entry for migration to new regime and also for smooth /faster transition without service disruption. This will also ensure to reduce the number of service authorisations/licenses which is one of the important aims of the Telecommunications Act, 2023.

**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.**

**ACTO's response:**

No further processing fee should be charged in case of merger, it is one-time administrative activity. It is in the interest of the Government too. Processing fee to be charged only once and if it is already paid then no further processing should be charged.

**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.**

**ACTO's response:**

To streamline business operations, the requirement for submitting affidavits and self-certifications when paying license fees and spectrum usage charges should be eliminated. Payments are now made online, generating instant proof of payment via challan, and all necessary documents are submitted digitally through the SARAS portal. The affidavit requirement, originally needed for cheque or draft payments and physical documentation, is now redundant.

International best practices, such as those in the US and EU, emphasize simplifying procedures and reducing paperwork. Removing affidavits or self-certifications will streamline payments, reduce compliance burdens, and improve efficiency, thereby enhancing the ease of doing business.

**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.**

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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.

&

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.

&

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.

&

Q55. In case of merged extant GMPSC 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.

&

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.

&

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.

&

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.

&

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.

#### **ACTO's response:**

ACTO suggests not to levy any further entry fee and application processing fee in case of migration to relevant authorisations as it has already been paid before. The migration is mutual beneficial in nature towards reduction of number service authorisations which is one

of the important aims of Telecommunication Act 2023, and instead should be incentivised. It is also to increase operational efficiency.

We have given detailed response to Q36.

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

**ACTO's response:**

In line with the global practice, our government is required to build infrastructure for security/interception/monitoring, where TSPs/ISPs will provide the feed. It will not only make the system more proactive for monitoring/interception but also will make it faster implementation of the security measures as and when needed. Currently, government gives the instructions and TSPs/ISPs are asked to implement it. As a result, it inherently adds delay in action and also increases the capital burden on the TSPs/ISPs due to the current practice. Providing security is one of the important jobs for the any government with help from others but not to be fully dependent on others.

**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.**

**ACTO's response:**

We have attached an Annexure -II where the existing license clauses need to be reviewed with respect to moving to new regime.

**Other Service Provider (OSP):**

We respectfully draw the Authority's attention to the OSP Guidelines issued by the DoT on June 23, 2021. According to clauses 3.1 and 3.2 of these guidelines, OSP is permitted for PSTN/PLMN/ISDN traffic to be transmitted via MPLS VPN/IPLC/NPLC or SDWAN over MPLS VPN/IPLC/NPLC.

TRAI, in its consultation paper, has recognized the significance of Application layer VPN or internet-based VPN, prompting a discussion on broadening the scope of services provided by Internet Service Providers to encompass VPN.

Consequently, we urge the Authority to consider and recommend enhancing the OSP guidelines to include carriage of PSTN/PLMN/ISDN traffic over Application layer VPN/internet-based VPN or SDWAN over the Internet.

## Annexure-II

### List of the Existing License Clauses that need to modified/reviewed while migrating to New Licensing Regime

#### Chapter 1 - General Conditions

Clause No	Present Clause	Proposed Clause	Remarks / Arguments in support of the change sought
Clause 1.1 Ownership of the Licensee Company:	<p>1. FDI up to 100% under automatic route subject to observance of licensing and security conditions by licensee as well as investors as notified by the DoT from time to time.</p> <p>Notwithstanding with the above provision, foreign investment shall be subject to following conditions: (i) An entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route.</p> <p>(ii) In the event of the transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction/ purview of the clause no. (i) above, such subsequent change in beneficial ownership will also require Government approval. (iii) Both direct and indirect foreign investment in the Licensee Company shall be counted for the purpose of calculating total FDI.</p>	<p>Notwithstanding with the above provision, foreign investment shall be subject to following conditions: (i) An entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route.</p> <p>(ii) In the event of the transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction/ purview of the clause no. (i) above, such subsequent change in beneficial ownership will also require Government approval. (iii) Both direct and indirect foreign investment in the Licensee Company shall be counted for the purpose of calculating total FDI.</p>	Declaration should be sufficient to the existing licensee.

	<p>(iv) The licensee Company/ Indian Promoters/ Investment Companies including their holding companies shall comply relevant provisions of extant FDI policy of the Government. While approving the investment proposals, the Government may take into accounts security concerns.</p> <p>(v) FDI shall be subject to laws of India and not the laws of the foreign country/countries. The Licensee shall comply with the relevant provisions of FDI policy of the Government and such modifications to the policy as may be issued from time to time.</p> <p>(vi) The words, mentioned hereinabove in Para 1.1, such as FDI, foreign equity, investment companies, FIPB, etc., shall have the same meaning as defined by Department for Promotion of Industry and Internal Trade (DPIIT) in its FDI Policy.</p>	<p>(iv) The licensee Company/ Indian Promoters/ Investment Companies including their holding companies shall comply relevant provisions of extant FDI policy of the Government. While approving the investment proposals, the Government may take into accounts security concerns.</p> <p>(v) FDI shall be subject to laws of India and not the laws of the foreign country/countries. The Licensee shall comply with the relevant provisions of FDI policy of the Government and such modifications to the policy as may be issued from time to time.</p> <p>(vi) The words, mentioned hereinabove in Para 1.1, such as FDI, foreign equity, investment companies, FIPB, etc., shall have the same meaning as defined by Department for Promotion of Industry and Internal Trade (DPIIT) in its FDI Policy.</p> <p>vii) Notwithstanding the above, approval under (i) shall not be applicable in case of an existing licensee subject to the licensee providing a declaration stating significant beneficial ownership in the licensee company is not from land border sharing countries which may be deemed sufficient for the purpose of compliance under the above provisions.</p>	
Scope of the License	2.4 Licensee shall make its own arrangements for all infrastructure involved in providing the service and shall be solely responsible for the installation, networking, operation and commissioning of necessary	2.4 Licensee shall make its own arrangements for all infrastructure involved in providing the service and shall be solely responsible for the installation, networking, operation and commissioning of necessary	Both Active and Passive infrastructure shall be allowed to be shared between the licensees and by the licensee within its own authorization/licenses.

	<p>infrastructure, equipment and systems, treatment of subscriber complaints, issue of bills to its subscribers, collection of revenue, attending to claims and damages arising out of its operations etc. However, the Licensee may share the infrastructure as permitted under the scope of respective service authorization in PART-II of the Schedule to the License Agreement or as per the directions/instructions issued by the Licensor from time to time.</p>	<p>infrastructure, equipment and systems, treatment of subscriber complaints, issue of bills to its subscribers, collection of revenue, attending to claims and damages arising out of its operations etc. However, the Licensee may share both active and passive infrastructure as permitted under the scope of respective service authorization in PART-II of the Schedule to the License Agreement or as per the directions/instructions issued by the Licensor/TRAI from time to time.</p>	
Duration of License	<p>Duration of License: 3.1 This License shall be valid for a period of 20 years from the effective date of this License unless revoked earlier for reasons as specified elsewhere in the document. Validity period of any authorization of additional service(s) under this license shall be coterminus with the validity period of this license.</p>	<p>This License shall be valid for a period of 20 years from the effective date of this License unless revoked earlier for reasons as specified elsewhere in the document. Validity period of any authorization of additional service(s) under this license shall not be coterminous with the validity period of this license. The validity period of the subsequent license shall be 20 years from the effective date of the said license.</p>	<p>This is in line with our advocacy to the DoT.</p>
4. Renewal of License	<p>4.1 The Licensor may renew, if deemed expedient, the period of License by 10 years at one time, upon request of the Licensee, if made during the 19th year of the license period, on the terms specified by the Licensor, subject to extant policy. The decision of the Licensor shall be final and binding in this regard.</p> <p>4.2 On renewal, the Licensee may be required to pay a renewal fee as may be notified by the Licensor.</p>	<p>4.2 On renewal, the Licensee shall not be required to pay a renewal fee.</p>	<p>Since it's a renewal and not a new license.</p>

## Chapter – IV, Technical Conditions

Clause No.	Present Clause	Proposed Clause	Remarks / Arguments in support of the change sought
23.1	23.1 The LICENSEE shall provide the details of the technology, proposed to be deployed for operation of the service, to the Licensor. For providing the Service the Licensee shall utilize any type of equipment and product that meet TEC standards, wherever made mandatory by the Licensor from time to time. In the absence of mandatory TEC standard, the Licensee may utilize only those equipment and products which meet the relevant standards set by International standardization bodies, such as, ITU, ETSI, IEEE, ISO, IEC etc.,; or set by International Fora, such as 3GPP, 3GPP-2, IETF, MEF, WiMAX, Wi-Fi, IPTV, IPv6, etc. as recognized by TEC and subject to modifications/adaptation, if any, as may be prescribed by TEC from to time.	23.1 The LICENSEE shall provide the details of the technology, proposed to be deployed for operation of the service, to the Licensor. For providing the Service the Licensee shall utilize any type of equipment and product that meet TEC <b>OR</b> any international standards set by International standardization bodies, such as, ITU, ETSI, IEEE, ISO, IEC etc.,; or set by International Fora, such as 3GPP, 3GPP-2, IETF, MEF, WiMAX, Wi-Fi, IPTV, IPv6, etc. as recognized by TEC and subject to modifications/adaptation, if any, as may be prescribed by TEC from to time.	
23.2	23.2 Requisite monitoring/interception facilities /equipment for each type of service, shall be provided by the Licensee at its own cost for monitoring as per the requirement specified by the Licensor from time to time.		Govt. agencies should take up the cost of extending the link from TSP LIM back end to the CMS or central monitoring set up of the agencies.
24.3	24.3 The licensee shall adhere to the prevailing directions/ instructions and shall also abide by further directions / instructions		PMA to applicable on preferably PSU and Govt companies.



	<p>as may be issued by LICENSOR from time to time in respect of</p> <p>(a) Preferential Market Access for procurement of indigenous manufactured products,</p> <p>(b) Mandatory testing of equipment and</p> <p>(c) Requirements on IPv6 implementation.</p>		
27.3	<p>27.3 Interconnection between the networks of different Licensees for carrying circuit switched traffic shall be as per national standards of CCS No.7 and for carrying IP based traffic as per Telecom Engineering Centre (TEC) standards as amended from time to time by Telecom Engineering Centre (TEC) and also subject to technical feasibility and technical integrity of the Networks and shall be within the overall framework of interconnection regulations/ directions/ orders issued by the TRAI/ Licensor from time to time. For inter-networking between circuit switched and IP based network, the Licensee shall install Media Gateway Switch. Further, the Licensor may direct the LICENSEE to adopt any other technical standards issued by TEC on interconnection related issues.</p>	<p>27.3 Interconnection between the networks of different licensees for carrying circuit switch traffic or IP traffic should be as per TEC or international standard and up to the mutual agreement between the parties.</p> <p>Further, the Licensor may direct the LICENSEE to adopt any other technical standards issued by TEC on interconnection related issues.</p>	
27.4	<p>27.4 Licensee shall interconnect with other Telecom Service Providers at the Points of Inter-connection (POI) subject to compliance of prevailing regulations, directions or determinations issued by TRAI. The charges for accessing other networks for internetwork calls shall conform to the Orders/</p>		<p>Under the unified era, there should be a provision to have centralized SBC for multiple circles rather having separate SBC at each originating circle.</p>

	<p>Regulations/ Guidelines issued by the TRAI/ Licensor from time to time. The Interconnection Agreements will, inter-alia, provide the following:</p> <p>(a) To meet all reasonable demand for the transmission and reception of messages between the interconnected systems.</p> <p>(b) To establish and maintain such one or more Points of Interconnect as are reasonably required and are of sufficient capacity and in sufficient number to enable transmission and reception of the messages by means of the Applicable Systems,</p> <p>(c) To connect, and keep connected, to their Applicable Systems.</p>		
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**Chapter - V, Operating Conditions, Unified License**

<b>Clause No.</b>	<b>Present Clause</b>	<b>Proposed Clause</b>	<b>Remarks / Arguments in support of the change sought</b>
30.1	<p>30.1 The LICENSEE shall register demand/request for telephone connection and or any other Telecom Service without any discrimination from any applicant, at any place in the service area for the service(s) authorized and provide the Service, unless otherwise directed by the Licensor. The LICENSEE shall not in any manner discriminate between subscribers and provide service on the same commercial principle and</p>		<p>We request DOT to create a distinction in License and relevant authorisations between B2C and B2B services with respect to the applicability of the terms and conditions.</p> <p>Such distinction is required since these conditions have been introduced with the intention to protect a retail user with lesser or no</p>

	<p>shall be required to maintain a transparent, open to inspection, waiting list. The LICENSEE shall clearly define the scope of Service to the Subscriber(s) at the time of entering into contract with such Subscriber(s). Licensor shall have right to impose suitable penalty, not limited to a financial penalty, apart from any other actions for breach of this condition. The LICENSEE shall commence the Service on commercial basis only after starting subscriber registration in the manner prescribed. Before commencement of Service in an area, the LICENSEE shall notify and publicize the address where any subscriber can register demand /request for Telecom Service. Any change of this address shall be duly notified by the Licensee.</p> <p>Provided that nothing contained herein will affect or prejudice the rights of the LICENSEE to carry out check on credit worthiness of applicants for its services.</p>		<p>bargaining power. However, the operations and requirements of B2B services are significantly different from B2C services. Unlike the inequality in the negotiating power that exists in B2C cases, the parties in B2B cases are at par with each other.</p> <p>This also aligns with the Government of India's ('GOI') vision of 'Ease of Doing Business' as well as international best practices. It would reduce the inapplicable and onerous compliance burdens on the B2B services providers who's scale and volume and consequently, risk exposures are significantly lower than that of a service provider providing B2C services. This would also help in inviting more investments as well as flourishing new business in India.</p>
30.2	<p>30.2 The LICENSEE shall widely publicize provision of service and shall not refuse registration of demand in the service areas in which the Licensee has commenced services. In case the provision of telephone connection or the requested telecom service to an applicant is not feasible for technical or other</p>		<p>We request DOT to create a distinction in License and relevant authorisations between B2C and B2B services with respect to the applicability of the terms and conditions. Enterprise services are negotiated between parties with similar bargaining power and</p>

	reasons beyond the control of Licensee, then the LICENSEE shall endeavour to make arrangement for providing connections/Service in such cases within a reasonable time.		services are provided based on such negotiations between the parties.
38.5	38.5 The Licensee shall in no case permit service to any Telecom Service Provider (including those Other Service Providers who do not require License under Section 4 of Indian Telegraph Act, 1885) whose License is either revoked or suspended or not in operation at any point of time. Where connectivity already exists, the Licensee shall be obliged to disconnect or severe connectivity immediately without loss of time upon receipt of any reference from the Licensor in this regard. Disconnection shall be made effective within one hour or within such time as directed by the Licensor in writing, after receiving reference from the Licensor in this regard.	38.5 The Licensee shall in no case permit service to any Telecom Service Provider whose License is either revoked or suspended or not in operation at any point of time. Where connectivity already exists, the Licensee shall be obliged to disconnect or severe connectivity immediately without loss of time upon receipt of any reference from the Licensor in this regard. Disconnection shall be made effective within one hour or within such time as directed by the Licensor in writing, after receiving reference from the Licensor in this regard.	We request DOT to clarify this clause in line with the latest iteration of the OSP guidelines (the latest dated June 23, 2021) that states that OSPs may procure telecommunications services from TSPs.to remove the contradiction under clause 38.5 where Licensees are not permitted to provide service to OSPs.

### Chapter 6 – Security Conditions:

Clause No	Present Clause	Proposed Clause	Remarks / Arguments in support of the change sought
39.3	All foreign personnel likely to be deployed by the LICENSEE for installation, operation and maintenance of the Licensee's network shall	All foreign personnel likely to be deployed by the LICENSEE for operation and maintenance of the Licensee's network shall	Due to advancement in technology, a TSP may be required to get help from foreign personal in installation.

	be security cleared by the Government of India prior to their deployment. The security clearance will be obtained from the Ministry of Home Affairs, Government of India.	be security cleared by the Government of India prior to their deployment. The security clearance will be obtained from the Department of Telecom Government of India.	Once the equipment is in installation phase, it is not an operational equipment. Hence, the requirement to take approval from GoI for foreign personal for installation may be done away with. Further, such an approval if any required may be taken from the Department of Telecom instead of approaching the GoI / MHA.
39.7	The LICENSEE shall induct only those network elements into its telecom network, which have been got tested as per relevant contemporary Indian or International Security Standards e.g. IT and IT related elements against ISO/IEC 15408 standards, for Information Security Management System against ISO 27000 series Standards, Telecom and Telecom related elements against 3GPP security standards, 3GPP2 security standards etc. The certification shall be got done only from authorized and certified agencies/ labs in India or as may be specified by the Licensor. The copies of test results and test certificates shall be kept by the LICENSEE for a period of 10 years from the date of procurement of equipment.		The TSPs are now required to deploy equipment which has been approved by TTC and for which the vendor has obtained MTCTE. Hence, this clause becomes redundant.
39.9	39.9 The LICENSEE shall (i) Ensure that all the documentation, including software details are obtained from manufacturer/vendor/supplier in English language. (ii) Keep a record of operation and maintenance procedure in the form of a manual.	39.9 The LICENSEE shall (iii) Keep a record of all the operation and maintenance command logs for a period of 12 months, which shall include the actual command given, who gave the command, when was it given with date and time and from where.	All equipment's including software upgrades have now to be approved by TTP. This clause becomes redundant. The requirement to keep O&M records for a further period of 24 months may be dispensed with as practically such records are never required.

	<p>(iii) Keep a record of all the operation and maintenance command logs for a period of 12 months, which shall include the actual command given, who gave the command, when was it given with date and time and from where. For next 24 months the same information shall be stored/ retained in a nononline mode. For this purpose, LICENSEE shall keep a list of User ID linked with name and other details of the user duly certified by the system administrator. The user list shall be provided to Licensor or agencies designated by the Licensor as and when required.</p> <p>(iv) Keep a record of all the software updating and changes. The major updating and changes should also be informed to Licensor within 15 days of completion of such updating and changes.</p> <p>(v) Keep a record of supply chain of the products (hardware/ software). This should be taken from the manufacturer/ vendor/ supplier at the time of procurement of the products.</p>		<p>In case of inspection and enquiry the records of last 12 months shall be sufficient and in case the enquiry continues the operator may be asked to preserve the said records for the time period as desired by Licensor.</p> <p>This clause becomes redundant in view of the same being TTP approved.</p> <p>With all equipment being TTC approved, the requirement to keep a record of supply chain becomes irrelevant and should be deleted.</p>
39.10 (ii)	39.10 (ii) The Licensee through suitable agreement clauses with vendor shall ensure that the Vendor/ Supplier allow the Licensee, Licensor and/ or its designated agencies to inspect the hardware, software, design, development, manufacturing facility and supply chain and subject all software to a security/ threat check any time during the supplies of equipment. The number of such visits will be limited to two in a Purchase Order	Deleted	With all equipment being TTC approved, the requirement should be deleted.

	(PO). The expenditure for such visits, limited upto 40 man-days per visit, for each purchase order of value above Rs 50 crore, shall be borne by the LICENSEE directly or through vendor.		
39.11 (i)	39.11 (i) A penalty up to Rs 50 crore per occasion will be levied for any security breach which has been caused due to inadvertent inadequacy/inadequacies in precaution on the part of Licensee prescribed under this License. Licensor shall constitute a five members committee, which shall include two cyber security experts, to determine whether the breach is due to inadvertent inadequacy/ inadequacies or otherwise. The committee shall also decide the amount of penalty depending upon loss, gravity of breach etc.	39.11 (i) A penalty up to Rs 5 (Five) crore per occasion will be levied for any security breach which has been caused due to inadvertent inadequacy/inadequacies in precaution on the part of Licensee prescribed under this License. Licensor shall constitute a five members committee, which shall include two cyber security experts, to determine whether the breach is due to inadvertent inadequacy/ inadequacies or otherwise. The committee shall also decide the amount of penalty depending upon loss, gravity of breach etc.	Amended to reflect the provisions of New Telecommunications Act 2023.
39.11 (ii)	In case of inadequate compliance to the measures prescribed under this License, act of intentional omissions, deliberate vulnerability left into the equipment or in case of deliberate attempt for a security breach, penalty amount will be Rs. 50 crore per breach. The same breach in the same equipment purchased through same PO or in the same lot or the same negligence at the same time at multiple locations in an operator's network will be considered as a single breach for the purpose of levying penalty under this clause. The LICENSEE shall deposit the penalty amount with the Licensor within 30 days of the issue of Notice.	In case of inadequate compliance to the measures prescribed under this License, act of intentional omissions, deliberate vulnerability left into the equipment or in case of deliberate attempt for a security breach, penalty amount will be Rs. 5 (Five) crore per breach. The same breach in the same equipment purchased through same PO or in the same lot or the same negligence at the same time at multiple locations in an operator's network will be considered as a single breach for the purpose of levying penalty under this clause. The LICENSEE shall deposit the penalty amount with the	Amended to reflect the provisions of New Telecommunications Act 2023.



		Licensor within 30 days of the issue of Notice.	
39.12	In the interests of security, suitable monitoring equipment as per requirement of the Licensor or designated Security Agencies for each type of system used shall be provided by the Licensee for monitoring as and when required by Licensor. The specific orders or directions from the Government, issued under such conditions, shall also be applicable.	In the interests of security, suitable monitoring equipment as per requirement of the Licensor or designated Security Agencies for each type of system used shall be provided by the Licensee for monitoring as and when required by Licensor. The specific orders or directions from the Government, issued under such conditions, shall also be applicable. However, the Government may provide financial support to the Licensees if such requirement involves significant investments.	There shall be cost-benefit analysis of any requirement. The TSPs are required to implement any such measure but the Government shall provide financial support in case such requirements impose significant financial burden on TSPs.
39.20	The Licensee shall maintain all commercial records/ Call Detail Record (CDR)/ Exchange Detail Record (EDR)/ IP Detail Record (IPDR) with regard to the communications exchanged on the network. Such records shall be archived for at least two years for scrutiny by the Licensor for security reasons and may be destroyed thereafter unless directed otherwise by the Licensor. Licensor may issue directions /instructions from time to time with respect to CDR/IPDR/EDR.	The Licensee shall maintain all commercial records/ Call Detail Record (CDR)/ Exchange Detail Record (EDR)/ IP Detail Record (IPDR) with regard to the communications exchanged on the network. Such records shall be archived for at least one year for scrutiny by the Licensor for security reasons and may be destroyed thereafter unless directed otherwise by the Licensor. Licensor may issue directions /instructions from time to time with respect to CDR/IPDR/EDR.	The requirement shall be limited to 1 year. In any case IPDR records duration shall be reduced to 1 year.
40	<b>Application of Indian Telegraph Act, 1885:</b> 40.1 The Licensee shall adopt all means and facilitate in every manner the application of the Indian Telegraph Act, 1885 and Indian Wireless Telegraphy Act, 1933 as modified or replaced from time to time. The Service shall		Require Modification in view of New Telecommunications Act 2023.

	<p>be provided in accordance with the provisions of Indian Telegraph Rules as modified and amended from time to time.</p> <p>40.2 As per the provision of Section 5 of Indian Telegraph Act, the Licensee will provide necessary facilities to the designated authorities of Central/State Government as conveyed by the Licensor from time to time for interception of the messages passing through its network.</p> <p>Section 5 (2) of the Indian Telegraph Act 1885 reads as under:</p> <p>“On the occurrence of any public emergency or in the interest of public safety, the Central Government or a State Government or any officer specially authorized in their behalf by the Central Government or a State Government may, if satisfied that it is necessary or expedient to do so in the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign states or public order or for preventing incitement to the commission of an offense, reasons to be recorded in writing, by order, direct that any message or for class of messages to or from any person or class of persons or relating to any particular subject, brought for transmission by or transmitted or received by any telegraph, shall not be transmitted or shall be intercepted or detained or shall be disclosed to the Government making the order or an officer thereof mentioned on the order:</p>		
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	<p>Provided that press messages intended to be published in India of correspondents accredited to the Central Government or a State Government shall not be intercepted or detained, unless their transmission has been prohibited under this subsection.”</p>		
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### Chapter - VIII, Access Service, Unified License

Sr. No.	Present Clause	Proposed Clause	Remarks / Grounds in support of suggested change
1	<p>1. Service Area: The Service Area of Access Service shall be the Telecom Circle/Metro area as defined in Annexure-V. License/Authorization for Access Service, if granted for more than one Service Area (Telecom Circle/Metro), shall be administered separately for each Service Area as per terms and conditions contained in Part-I and in this chapter.</p>		<p>We request DOT to consider separating the authorisation for Access Services and PSTN based internet telephony services. Mobile and Internet Telephony services have significant differences in their technology and operation. Imposition of mobile related compliance conditions on internet telephony service providers is not only impractical but also leads to ambiguity and uncertainty and is thus, contrary to the principle of Ease of Doing business and international best practices.</p> <p>In context to this condition, we propose that like UL (ISP), category ‘A’ / ‘B’ / ‘C’ based license options should be made available to PSTN based internet telephony service providers.</p>

<p>2</p>	<p>2.1 (a) (ii) Licensee may enter into mutual commercial agreements for roaming facilities (within same service area or other service areas) with other Cellular Mobile Telephone Service Licensees/ Unified Access Service LICENSEES/Unified License (Access Services) LICENSEES /Unified Licensees with Access Service authorization, unless otherwise directed by Licensor, irrespective of spectrum band held or technology deployed by such licensees. Licensee may also enter into mutual commercial agreements for roaming facilities (within same service area or other service areas) with Unified Licensees having Category 'A', Category 'B' and Category 'C' Internet Service Provider (ISP) authorizations/ Category 'A', Category 'B' and Category 'C' Internet Service Providers, for providing Internet Access Services only. However, any Roaming arrangement shall not entitle the Licensee to acquire customer in the spectrum band not held or technology not deployed or for services/facilities not offered by the Licensee in its Network.</p> <p>(iii) The Licensee can acquire customer for delivery of services offered in its network using only the spectrum band held &amp; technology deployed by the Licensee. While roaming on other Licensees' network, the services availed by the subscriber shall be</p>		<p>We reiterate our submission above. We request DOT to distinguish mobile services with internet telephony services and remove this condition from internet telephony service authorisation since technologically, roaming is not applicable. A detailed explanation is provided in point 3 below.</p>
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	<p>limited to only those services which have been subscribed in its home network.</p> <p>(iv) The Licensee may also enter into agreements with telecom service providers abroad for providing roaming facility to its subscriber unless directed by Licensor otherwise.</p>		
3	<p>2.6 (ii) Internet Telephony calls originated by International out roamers from international locations shall be handed over at the International gateway of licensed ILDOs and International termination charges shall be paid to the terminating access service provider. In case the Licensee is not able to ensure that Internet Telephony call originated outside of the country is coming through ILDO gateway, International outroaming to Internet Telephony subscribers of the access provider shall not be allowed. Further, the calls originated outside the country using internet telephony shall be routed through ILD (International Long Distance) Gateway like any other international call.</p>		<p>We reiterate our aforementioned request of separating conditions related to mobile services with internet telephony services.</p> <p>In this context, it may be relevant to mention that even though mobile numbers have been allocated to internet telephony service providers, internet telephony services differ significantly from mobile services. Unlike users of mobile services, the users of internet telephony do not 'roam' on a visited network while traveling outside the Licensed Service Area and / or the country. Instead, users of the internet telephony service always authenticate directly to the internet telephony provider's network and never to another provider's telephony network. As such, no unauthenticated third parties can ever originate a call to the internet telephony provider's network.</p>

			<p>Therefore, we wish to request that the term 'roaming' or 'international out roamers' may not be used for internet telephony services for it is not relevant in the context of the services.</p>
4	<p>2.6 (iii) The mobile numbering series should be used for providing Internet Telephony by Licensee. TSPs are allowed to allocate the same number to the subscriber both for Cellular Mobile service and Internet Telephony service. The access service licensee should use private ENUM in its network for Telephone number mapping from E.164 to SIP/H.323 addresses and vice-versa.</p>		<p>In addition to mobile numbers, we request DOT to permit use of fixed line numbers, with appropriate safeguards, to internet telephony service providers.</p> <p>Further, in the context of mobile numbering, it would be relevant to mention that the subscriber verification guidelines as prescribed for mobile services cannot be applied to enterprise internet telephony services. Unlike SIM based mobiles services, internet telephony services are cloud-based PBX services with enterprise having total visibility into and control over the end user's use of the numbers in a manner that is not possible for mobile phones.</p> <p>The mobile subscriber verification requirements are burdensome and enterprise customers find it intrusive for their employees. Consequently, it not only makes the business operations difficult for the internet telephony service providers after such investments but also dissuades the foreign players to enter the Indian market.</p>

**Note: Scope of Services of all Authorizations under Unified License shall also include the right to resale services i.e. scope of respective authorizations under Unified License – Virtual Network Operator**

**Chapter 9 – Internet Service**

Clause No	Present Clause	Proposed Clause	Remarks / Arguments in support of the change sought
2(v)	For carrying originating and terminating traffic of its subscribers, the licensee may establish its own transmission links within its service area. For this purpose, the Licensee may also establish 'Last Mile' linkages within the service area either on fibreoptic cable or radio communication or underground copper cable. In case of radio links, procedure as mentioned in Chapter VII of this License shall be applicable.	For carrying originating and terminating traffic of its subscribers, the licensee may establish its own transmission links within its service area. For this purpose, the Licensee may also establish 'Last Mile' linkages within the service area either on fibreoptic cable or radio communication or underground copper cable. In case of radio links, procedure as mentioned in Chapter VII of this License shall be applicable. In case extra bandwidth is available in the capacity created, the Licensee is also allowed to sell the same to other Licensed TSPs as Lease line capacity.	In the present context, for reselling of excess bandwidth capacity, the Licensee is also required to have NLD Authorization. Allowing the ISP to resell excess bandwidth capacity to other Licensed TSPs will incentivize the ISPs to lay more capacities and will result in better utilization of existing capacities. This is also in line with TRAI consultation paper.
2(xi)	The Licensee may share "passive" infrastructure namely building, tower, dark fibre, duct space, Right of Way owned, established and operated by it under the scope of this Authorization with other Licensees.	May be deleted from the Authorization.	TRAI's recommendations on infrastructure sharing may kindly be accepted. There can be one clause for sharing of passive and active infrastructure in the main body of license. The same may be deleted within the Authorization so avoid any ambiguity and interpretation gap.
5.1	The Licensee shall have the right to undertake the sale, hire purchase, lease or renting of the subscriber fixed / mobile terminals / CPE. Proper usage of terminal/CPE at subscriber's premises shall	5.1 The Licensee shall have the right to undertake the sale, hire purchase, lease or renting of the subscriber fixed / mobile terminals / CPE. Proper usage of terminal/CPE at subscriber's premises shall	CPE can be procured directly by the subscriber. The same is done by subscriber in majority of the cases. Hence, for parity between CPE procured by customer and the CPE provided by



	be as per agreement between the Licensee and subscriber.	be as per agreement between the Licensee and subscriber. It is clarified that provision of CPE to subscriber is dispensed from the requirement to obtain approval from Trusted Cell.	TSP, the requirement on TSP to have TTC approval may be dispensed with.
7.1	The Licensee shall maintain CDR/IPDR for Internet including Internet Telephony Service for a minimum period of <b>two</b> year. Parameters of IPDR shall be maintained as per the directions/instructions issued by the Licensor from time to time.	The Licensee shall maintain CDR/IPDR for Internet including Internet Telephony Service for a minimum period of one year. Parameters of IPDR shall be maintained as per the directions/instructions issued by the Licensor from time to time.	The requirement shall be limited to 1 year. In any case IPDR records duration shall be reduced to 1 year.
8.5	Office space of 10 feet x 10 feet with adequate and uninterrupted power supply and air-conditioning which will be physically secured and accessible only to the monitoring agencies shall be provided by the Licensee at each Internet Gateway location at its cost.	May be Deleted.	With integration of Internet Gateways with Centralized Monitoring System, the requirement to have a 10'x10' room may be dispensed with.

### Chapter 10 – National Long Distance

Clause No	Present Clause	Proposed Clause	Remarks / Arguments in support of the change sought
2.2(ii)	The Licensee may share “passive” infrastructure namely building, tower, dark fibre, duct space, Right of Way owned, established and operated by it under the scope of this Authorization with other Licensees.	May be deleted from the Authorization.	TRAI's recommendations on infrastructure sharing may kindly be accepted. There can be one clause for sharing of passive and active infrastructure in the main body of license. The same may be deleted within the Authorization to avoid any ambiguity and interpretation gap.

## Chapter 11: International Long Distance:

Clause No	Present Clause	Proposed Clause	Remarks / Arguments in support of the change sought
2.4(ii)	The Licensee may share “passive” infrastructure namely building, tower, dark fibre, duct space, Right of Way owned, established and operated by it under the scope of this Authorization with other Licensees.	May be deleted from the Authorization.	TRAI’s recommendations on infrastructure sharing may kindly be accepted. There can be one clause for sharing of passive and active infrastructure in the main body of license. The same may be deleted within the Authorization so as to avoid any ambiguity and interpretation gap.
6.3	Office space of 20’x20’ with adequate and uninterrupted power supply and air-conditioning which will be physically secured and accessible only to the personnel authorized by the Licensor shall be provided by the Licensee at each Gateway location free of cost. The cost of monitoring equipment shall be borne by the Licensee.	May be Deleted.	With integration of ILD Gateways with Centralized Monitoring System, the requirement to have a 20’x20’ room may be dispensed with taking into consideration the additional CAPEX burden it causes to licensees.
33.1	“Sharing of active/passive infrastructure shall be governed by the terms and conditions of respective service authorization and amendment/guidelines to be issued by the Licensor from time to time”	Condition 33.1 has not been included for other licenses like standalone NLD/ILD/ISP and UL-VNO NLD/ILD/ISP. The same should be included.	There should be uniformity across various authorization in terms of active infrastructure sharing in line with the TRAI recommendation on Telecommunication Infrastructure Sharing, Spectrum Sharing and Spectrum Leasing released on 24 <sup>th</sup> April 2024.

33.2	“Sharing of Active infrastructure amongst Service Providers based on the mutual agreements entered amongst them is permitted. Active infrastructure sharing will be limited to antenna, feeder cable, Node B, Radio Access Network (RAN) and transmission system only.”	The clause should be deleted.	This clause should be technology agnostic to cover all types of active infrastructure sharing.
39.17	The Licensee shall activate the Leased Line, Internet Leased Line and IPLC service only after checking the bonafide of the customer, verifying details as per Customer Acquisition Form (CAF) prescribed from time to time and physical inspection of the site. Further, in the case of Leased Line, the reasons for taking the link by the customer shall be recorded.	The clause should be modified to accommodate enterprise customers located in data centre.	Physical verification of premises for data centers is challenging due to unmanned locations and high security.  Relaxation of physical verification requirements for enterprise customers located inside data centers is sought during annual inspection.
39.22 (v)	Leased circuits should also be checked/inspected at regular intervals for their bonafide use and to detect any misuse.	The clause should be modified to accommodate enterprise customers located in data centre.	
		IPLC LIM sharing should be permitted.	TRAI in its Recommendation on infrastructure sharing stated that “Sharing of the Lawful Interception System (LIS) held by a licensee company with other licensee companies may be allowed with the permission of DoT on a case-to-case basis, provided there are no security concerns in such sharing. The same should be extended to IPLC LIM.

**Chapter 16 – Machine to Machine Service (M2M)**

<b>Clause No</b>	<b>Present Clause</b>	<b>Proposed Clause</b>	<b>Remarks / Arguments in support of the change sought</b>
4 (iv) & (v)	<p>4(iv) The Licensee may share “passive” infrastructure namely building, tower, dark fibre, duct space, Right of Way owned, established and operated by it under the scope of this Authorization with other Licensees.</p> <p>4(v) Moreover, sharing of active infrastructure with other licensees shall be governed by the license conditions/amendments issued by the Licensor from time to time.</p>	May be deleted from the Authorization.	TRAI’s recommendations on infrastructure sharing may kindly be accepted. There can be one clause for sharing of passive and active infrastructure in the main body of license. The same may be deleted within the Authorization so avoid any ambiguity and interpretation gap.