

1178 / TRAI/ ISPAI /24- 019
August 8, 2024

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

Subject: ISPAI Response to TRAI Consultation Paper on "The Framework for Service Authorizations to be Granted under the Telecommunications Act, 2023"

Dear Sir,

We congratulate the Authority to have come out with this Consultation paper on the matter captioned above and sincere thanks for providing us the opportunity to submit our response on this important issue.

We have enclosed our comprehensive response for your consideration.

We believe that the Authority would consider our submissions positively on the subject matter.

Thanking you,

With Best Regards,
For Internet Service Providers Association of India



Rajesh Chharia
President
+91-9811038188
rc@cjnet4u.com

Encl: As above

ISPAI response to TRAI Consultation Paper on "The Framework for Service Authorizations to be Granted under the Telecommunications Act, 2023"

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

Response:

We welcome the introduction of the new authorization regime, which replaces traditional licensing with a more modern and flexible approach. This change aligns with global standards and brings numerous benefits to the telecommunications sector

The new authorisation regime under the Telecommunications Act, 2023, which replaces traditional licensing with authorisation, aligning with global standards. This regime should ensure legal certainty for licensees, including defined terms, rights, and dispute resolution mechanisms, and allow for periodic updates to stay current with market and technology changes. It should also provide regulatory predictability, protect against arbitrary revocation, and ensure fair dispute resolution. Simplifying the authorization process will promote competition, speed up service deployment, encourage investment, and increase market adaptability, aligning with international practices and benefiting both domestic and international stakeholders. The relationship between DoT and TSPs should continue to be contractual in nature and the contractual rights of the ISPs/ TSPs under the existing licenses should continue to be protected even under the new authorization regime.

Simplified Licensing: A Catalyst for Innovation and Growth in the Telecom Sector

The current service-specific licensing process poses significant barriers to the unbundling of different layers of telecom services, hindering the ability of Telecommunications Service Providers (TSPs) to adopt new technologies and services. A simplified licensing process can transform the regulatory framework into an enabler for emerging technologies and services, fostering ease of doing business in the telecom sector.

Simplifying the licensing process is a crucial step towards reducing regulatory complexity, making it easier for Telecommunications Service Providers (TSPs) to:

1. **Operate Efficiently:** Streamlined processes minimize administrative burdens, allowing TSPs to focus on core business activities.
2. **Innovate Freely:** Simplified licensing enables TSPs to quickly deploy new services, technologies, and business models, driving innovation and competitiveness.
3. **Respond to Market Demand:** With reduced regulatory complexity, TSPs can swiftly adapt to changing market conditions, customer needs, and emerging trends.

Q2. Whether it will be appropriate to grant authorisations under Section 3(1) of the Telecommunications Act, 2023 in the form of an authorisation document containing the essential aspects of the authorisation, such as service area, period of validity, scope of service, list of applicable rules, authorisation fee etc., and the terms and conditions to be included in the form of rules to be made under the Telecommunications Act, 2023 with suitable safeguards to protect the reasonable interests of the authorised entities in case of any amendment in the rules? Kindly provide a detailed response with justifications.

Response:

Issuing authorizations as documents with key details and rules ensures legal certainty and predictability for applicants. This approach, focusing on essential authorization aspects like service scope, validity period, and fees, clarifies rights and duties, aiding compliance and reducing confusion. It keeps the framework relevant and adaptable to industry changes.

We support for separating B2B and B2C services. This may be further articulated by enterprise and retail services.

Recognizing the B2B sector's unique needs, the framework should offer flexible, enterprise-specific policies to encourage investment and innovation. Simplifying regulations and leveraging funds for necessary improvements can further support this goal.

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

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

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

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

(d) What could be the broad topics for which the conditions may be required to be prescribed in the form of guidelines under the respective rules?

Kindly provide a detailed response with justifications.

Response:

We recommend including broad aspects like application process, eligibility, and license transfer conditions in the Rules. This would be akin to existing guidelines for obtaining licenses. The detailed terms and technology trends, focusing on FDI policy, infrastructure sharing, telecom security, etc conditions should continue to form part of a contractual arrangement between DoT and TSPs.

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

Response:

To ensure the stability and continuity of service providers while adapting to changes, the following measures are recommended: Regularly update rules and authorizations, in consultation with stakeholders, to match technological and market developments; include transitional provisions for smoother adjustments; ensure clear and predictable regulatory processes; assess the impact of regulatory changes; and establish a fair dispute resolution mechanism. As per provisions of TRAI Act, TRAI's recommendations must be mandatorily sought before bringing any amendments. Further, DoT should also conduct a consultation and must provide reasons/explanation for such changes to bring about clarity for all stakeholders.

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.

Response:

We are in favour for a comprehensive national unified license that would consolidate all necessary authorizations, enabling providers to deliver a full spectrum of telecommunications services across the entire nation. This initiative aligns with the National Telecommunications Policy's vision of "One Nation – One License" and aims to include authorizations for Access, NLD, ILD, ISP, VSAT, Satellite, CUG, IPLC resale, INSAT MSS-R, and GMPCS among others.

The current system, which amalgamates various licenses without offering substantial benefits in terms of technical or operational improvements, falls short of this vision. A genuine unified license is seen

as pivotal for leveraging India's advancements in 5G, as well as unlocking potential in unified communications, satellite services, and M2M solutions.

We believe that the envisioned national unified service authorisation promises several benefits, including simplification and efficiency by reducing the need for multiple licenses, seamless nationwide service provision, enhanced flexibility and innovation, fostering market competition, and improved regulatory oversight. These advantages are expected to benefit consumers with more choices and better services, stimulate economic growth, and encourage investment in the telecommunications sector.

The existing investments need to be adequately protected while considering any change in the regime.

We advocate for a detailed consultation on these aspects to refine the approach towards a unified service authorization at a national level.

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

Response:

There's a pressing need to expand the existing ISP License's scope to enhance service offerings and align with global practices.

Firstly, Category A ISPs should be permitted to offer Application Layer VPN or internet-based VPN services to their customers. Currently, while customers can establish VPNs using their infrastructure, ISPs are restricted from creating VPNs when providing internet lease lines. Removing this discrepancy will allow ISPs to offer more comprehensive solutions for enterprise customers, facilitating unified communications and seamless connectivity for IP-Voice and data needs across offices.

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

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

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

Kindly provide a detailed response with justifications.

Response:

There's a pressing need to expand the existing ISP License's scope to enhance service offerings and align with global practices.

ISPs should be permitted to offer Application Layer VPN or internet-based VPN services to their customers. Currently, while customers can establish VPNs using their infrastructure, ISPs are restricted from creating VPNs when providing internet lease lines. Removing this discrepancy will allow ISPs to

offer more comprehensive solutions for enterprise customers, facilitating unified communications and seamless connectivity for IP-Voice and data needs across offices.

TRAI vide its recommendations on Roadmap to Promote Broadband Connectivity and Enhanced Broadband Speed had recommended for license fees exemption to eligible licensees providing fixed line broadband services for a minimum period of five years as per below:

Initially, the proposed incentive, i.e. license fee exemption, to the eligible licensees should be allowed for a minimum period of five years. The need for incentives beyond initial five years may be reviewed in the fifth year keeping in view the policy priorities and technological developments at that point of time

Would request TRAI to again recommend for license fees exemption to eligible licensees for a minimum period of five years.

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

Response:

Clubbing the National Long Distance (NLD) and International Long Distance (ILD) Service authorizations into a unified Long-Distance Service authorization under the Telecommunications Act, 2023, is a well-justified move. The existing overlap between ILDOs and NLD license holders adds unnecessary administrative complexity.

Overall, this clubbing will promote operational efficiency and regulatory simplicity.

However, it should be ensured that the clubbing does not result in imposition of any additional compliance requirements on a specific service.

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

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

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

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

Kindly provide a detailed response with justifications.

Response:

Stakeholders should be consulted once the terms and conditions of the proposed clubbed authorisation is drafted, in order to review the consequences of each specific condition.

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.

Response:

No Comment

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.

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

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

Kindly provide a detailed response with justifications.

Response:

The introduction of IP-I registration facilitated the construction of passive infrastructure for Telecom Service Providers (TSPs) and Internet Service Providers (ISPs) without necessitating a license fee.

However, the Telecom Regulatory Authority of India (TRAI) proposed expanding the DCIP's scope to encompass all active infrastructure, excluding the core network, and suggested licensing it without a fee. TSPs, during the TRAI consultation, advocated for licensing DCIP with a license fee, citing two primary concerns: the unfair cost advantage DCIP would have over Access/NLD/ISP businesses due to

the discrepancy in licensing fees, and the high risk of license arbitrage, where similar services by Access/NLD/ISP and DCIP would result in one being charged a license fee while the other is not.

Given the historical context where operators have already established their networks, it is logical to promote comprehensive infrastructure sharing, both passive and active, among licensees and various authorizations held by TSPs themselves on mutual agreement. TRAI has supported this approach in its recent recommendations on Telecommunication Infrastructure Sharing, Spectrum Sharing, and Spectrum Leasing.

Therefore, it is recommended that DCIP authorization is not required.

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

- (a) What should be the scope of the service?**
- (b) What should be the service area?**
- (c) What terms and conditions (technical, operational, security, etc.) should be made applicable?**

Kindly provide a detailed response with justification.

Response:

No, there is no need for clubbing any authorisations other than NLD and ILD Authorisations

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

Response:

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.

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.

Response:

(i) Costs incurred towards telecom security

With evolving technology, the security-related compliance conditions imposed on ISPs & TSPs have also evolved. The measures now required to be taken by ISPs & TSPs include installation of infrastructure for robust lawful interception of telecom traffic by the Law Enforcement Agencies (LEAs), monitoring of telecom traffic by various Government agencies as well as storage of Call Data Records (CDRs)/Exchange Detail Records (EDRs)/IP Detail Records (IPDRs), etc.

While service providers remain fully committed to the primary aim behind these measures, i.e. ensuring National security, it needs to be highlighted that the elaborate infrastructure set up, required to provide the lawful interception and monitoring (LIM) facility at the premises of various LEAs/Government agencies and to store the huge amount of CDRs/EDRs/IPDRs generated due to the humongous traffic flowing through the networks these days, involves a huge CAPEX as well as OPEX.

It is pertinent to highlight here that the traffic carried on TSPs networks is multiplying very rapidly. The overall traffic is growing on both counts – expansion in customer base as well as increase in voice and data usage per customer. As per TRAI's own reports, the volume of Indian telecom traffic in 2023 grew ~1.5x the traffic in 2021. It is estimated to grow by 300% by 2028, compared to 2021.

Further, TSPs are subjected to new obligations, depending on the requirements of the LEAs. For instance, in 2021, the period for which CDRs/EDRs/IPDRs have to be stored, was doubled to 2 years. With the ever-increasing traffic, the storage of these records for double the time is a herculean task, even without the substantial costs that the TSPs have to incur. On top of it, additional parameters relating to the destination IP and destination port have been included in the IPDR format, which again adds up not just to the storage, but also the extraction and computation obligations for TSPs.

Apart from these National security requirements, TSPs are also required to make significant investments into cyber security, to protect both their own networks as well as the data of their subscribers from different types of threats and attacks.

Given the importance of such measures in the socio-economic resilience of the country as a whole, the TSPs alone must not be saddled with the entire responsibility of implementing the same. It is necessary for the Government to support the costs being incurred by TSPs towards security compliance, to bring about a balance in ecosystem. Appropriate budgetary support or contribution may effectively alleviate the (incremental) cost burden of meeting National Security requirements on TSPs.

We submit that regulators and Governments in various countries around the world allow for financial compensation to TSPs to cover infrastructure costs for maintaining national security or for lawful interception and monitoring. For instance, in Australia, the Telecommunications (Interception and Access) Act 1979 (Section 207-208 and 210) puts the onus of bearing the costs on both Carriers and Interception Agencies.¹ In France, the Postal and Electronic Communications Code (Article L34-1) allows for financial compensation responding to LEA requests pertaining to national security.² In the United Kingdom, the Investigatory Powers Act, 2016 (Section 249) provides for Government contribution towards the compliance costs incurred by TSPs.³ In the United States, the Communications Assistance for Law Enforcement Act includes Cost Recovery Regulations with reimbursement procedures.⁴

Therefore, a process should be established whereby the costs of meeting the requirements of LEAs/various Government agencies for the purpose of maintaining National Security and enabling Law Enforcement, are reimbursed by the Government/ the respective agencies.

(ii) Inspection for Bonafide Use

Clause 39.22(v) under Chapter-VI (Security Conditions) requires regular inspection of leased circuits for bonafide use. Physical verification of premises for data centers is challenging due to unmanned locations and high security. **The requirement should be relaxed.**

(iii) Uniformity in Infrastructure Sharing Provisions

Clause 2.4 under Chapter-I (General Conditions) provides that licensees may share infrastructure as per the respective scopes of individual service authorisations. Thereafter, each individual service authorisation has separate clauses on infrastructure sharing. This leads to confusion and non-uniformity.

In the interests of simplification, the infrastructure sharing provisions should be deleted from the respective service authorisations. Instead, it should be provided under Part-I of the UL (applicable to all service authorisations), that sharing of both passive and active infrastructure (except core network) is allowed.

Further, pass-through deductions should be allowed for infrastructure sharing charges.

¹ https://classic.austlii.edu.au/au/legis/cth/consol_act/taaa1979410/s208.html;
https://classic.austlii.edu.au/au/legis/cth/consol_act/taaa1979410/s209.html;
http://classic.austlii.edu.au/au/legis/cth/consol_act/taaa1979410/s210.html

² <https://www.wipo.int/wipolex/en/text/493345>

³ <https://www.legislation.gov.uk/ukpga/2016/25/section/249/enacted>

⁴ <https://www.ecfr.gov/current/title-28/chapter-I/part-100>

(iv) Annual FDI Compliance

Clause 1.2 under Chapter-I (General Conditions) requires licensees to file an annual FDI compliance on the 1st of January every year. **We recommend that licensees should be allowed adequate time, say one month, for such submission, instead of prescribing a specific date.**

Further, it should be allowed to be signed by the Authorized Signatory, instead of the current requirement of certification by the Company Secretary and countersign by a Director.

Enterprise Services and Regulatory Adaptation: A critical reform area is the simplification of regulatory obligations for providers catering to enterprise customers. These services are pivotal for the global economy, offering essential high-speed data, security, and IT solutions. Current regulations, often outdated, can stifle technological growth. It's imperative that regulatory frameworks are periodically reviewed and updated to align with the dynamic market and technological landscape. Specifically, regulations should be tailored to recognize the distinct needs of enterprise services, which differ significantly from mass-market consumer services. Requirements such as tariff publication and consumer complaint procedures, while vital for protecting consumers, may not be relevant for enterprise services where contracts are negotiated on an individual basis. Streamlining these regulations can enhance operational efficiency without adversely affecting consumer protection or competition.

Regulatory distinctions between enterprise and retail services are essential. The new licensing framework should exempt enterprise services from the regulatory burdens applicable to consumer services, reducing unnecessary costs and complexities.

IoT/M2M Considerations: The policy and regulatory framework for M2M/IoT should facilitate global deployment, leveraging scale and reach to optimize IoT's potential within and across borders. Recognizing the differences between M2M/IoT devices and traditional mobile phones is crucial, advocating for a regulatory approach that avoids country-specific, IoT-centric regulations in favor of regional or global frameworks. This approach should include applying existing consumer protection measures appropriately to M2M/IoT, promoting global roaming frameworks, supporting the development of international standards, and refraining from imposing traditional voice service taxes on IoT services, which fundamentally differ in revenue and business models.

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

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

Kindly provide a detailed response with justifications.

Response:

No Comments

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

Response:

No comments

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

Response:

- To align the scope of Virtual Network Operator (VNO) authorizations with those of full-fledged network authorizations, it is proposed to consolidate the VNO authorizations for International Long Distance (ILD) services and the resale of International Private Leased Circuit (IPLC) services. This consolidation aims to equalize VNO authorizations with the corresponding ILD authorizations.
- Allow entities with full network authorizations to also engage in activities covered under VNO authorizations without needing separate permissions. Additionally, the financial benefits and deductions available under VNO authorizations would extend to the corresponding full authorizations, promoting a more integrated and efficient regulatory framework.
- Furthermore, the current limitations on VNOs, which restrict them to partnering with a single Network Service Operator (NSO) for access services, are recommended to be lifted. By allowing VNOs to form partnerships with multiple NSOs for both wireless and wireline services, this revision aims to foster greater competition and improve service quality and availability across the market. Such a move would not only enhance competition but also ensure broader service coverage and reliability by leveraging the infrastructure of various NSOs.
- VNO (ISP) may be permitted to announce their own IP Addresses on the NSO network

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

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

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

Kindly provide a detailed response with justifications.

Response:

No Comments.

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

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

(b) IXP Authorization (under Unified License)

(c) Content Delivery Network (CDN) Registration

(d) Satellite Earth Station Gateway (SESG) License

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

Response:

1. DCIP: In relation to the authorization for Digital Connectivity Infrastructure Providers (DCIP), we echo our previously stated opinion during the TRAI consultation process that if it is to be considered as an authorization, then it should be subjected to a licensing fee to ensure a level playing field with ISP/NLD/ILD Operators.
2. CDN: On the matter of Content Delivery Networks (CDNs), we restate our stance provided during the TRAI consultation process: CDNs should be exempt from licensing fees but must comply with security standards. CDNs enhance network performance by lowering latency and reducing network congestion due to their closeness to end-users. We endorse the TRAI's recommendation from November 18, 2022, regarding this matter. CDNs should be exempt from licensing fees but must comply with security standards. Content should always be blocked by issuing orders directly to CDN or platform hosting the content in India or to the content providers.
3. IXP: Concerning IXP authorizations, we align with the TRAI's recommendation on the Regulatory Framework for the Promotion of the Data Economy through the Establishment of Data Centers, Content Delivery Networks, and Interconnect Exchanges in India, dated November 18, 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 more than one NSO.**

Response:

With respect to Connectivity to Access Service VNOs from more than one NSO, we suggest 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.

Response:

We firmly believe that changes are needed to improve the ease of doing business.

Proposed Changes:

1. **Simplified Application Process:** Streamline the application process, reducing documentation and timelines.
2. **Online Portal:** Introduce an online portal for applications, tracking, and compliance.
3. **Standardized Requirements:** Standardize authorization requirements, eliminating ambiguity and confusion.
4. **Reduced Compliance Burden:** Minimize compliance requirements, focusing on critical aspects.
5. **Timely Decision-Making:** Ensure timely decision-making, with clear timelines and accountability.
6. **Transparency and Communication:** Enhance transparency and communication throughout the authorization process.
7. **Flexibility and Adaptability:** Allow for flexibility and adaptability in authorization terms, accommodating changing market needs.
8. **Telecommunications Dispute Resolution Committee (TDRC):** By establishing the TDRC, DOT can ensure effective and neutral dispute resolution, promoting a fair and competitive telecommunications ecosystem.

By introducing these changes, the authorization framework will become more business-friendly, efficient, and effective, promoting the ease of doing business and supporting the growth of the telecommunications sector.

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

Response:

The original licensing framework, established over two decades ago, placed a significant emphasis on the ownership of networks and equipment, reflecting the priorities of that era. At that time, the telecommunications sector, along with industries such as transportation and aviation, heavily relied on physical infrastructure, with telecom networks comprising primarily hardware (over 90%) and only a minimal portion of software. This made the ownership of physical assets critical. However, the landscape has dramatically shifted today, with software constituting more than 90% of telecom networks and hardware less than 10%. Moreover, leveraging cloud infrastructure has become advantageous due to its inherent redundancy and enhanced security through its distributed nature. Consequently, the emphasis on physical ownership has diminished, underscoring the critical need for effective management and control of software in the current context.

In line with the evolving industry dynamics, infrastructure sharing has emerged as a pivotal strategy for cost efficiency across various sectors, including telecommunications. This approach is not only endorsed by global practices but also supported by the Department of Telecommunications (DOT) through the facilitation of infrastructure sharing in multiple domains. The Telecom Regulatory Authority of India (TRAI) has advocated for widespread and uniform infrastructure sharing among Telecom Service Providers (TSPs) and Internet Service Providers (ISPs).

Given these developments, ISPAI recommends a significant revision in the new authorization framework. It proposes the elimination of the existing mandates for network and equipment ownership in favor of promoting infrastructure sharing. This shift aims to harness the benefits of cost savings, enhanced redundancy, and improved control, aligning with the contemporary needs and trends of the telecommunications industry.

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

Response: No Comments

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

Response: 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.

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 122 authorisation regime? If yes, kindly provide a detailed response with justification.

Response: No Comments

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

Response:

To ensure a smooth transition, the following conditions should be made applicable for the migration of existing licensees to the new authorization regime under the Telecommunications Act, 2023:

1. Service Continuity
2. Existing licensees must ensure continuity of services during the migration process.
3. No disruption or degradation of services should occur during the transition.
4. Infrastructure Upgradation
5. Existing licensees may be required to upgrade their infrastructure to meet the requirements of the new authorization regime.
6. This includes adopting new technologies, standards, or specifications.
7. Security and Privacy
8. Existing licensees must ensure the security and privacy of their services and infrastructure.
9. Compliance with applicable security and privacy regulations is essential.

All existing license holders or registration holders must be encouraged to migrate to new regime. A pro rata refund of entry fee may also be considered for avoiding confusions and litigations.

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

Response:

We believe that the process of migration to the new regime will be voluntary, in line with the provisions of the Telecom Act. Further, we recommend the following:

- (i) Migration to the new regime should not create a disparity between the licenses and the principles of fairness and equity should be maintained. The terms and conditions applicable to the existing licensees who choose not to migrate should be no worse-off than

those applicable to such licensees who choose to migrate as well as to new entrants who obtain an authorisation under the new regime.

- (ii) Migration should not be conditional upon withdrawal of sub-judice matters or upon submission of BGs/undertakings regarding payment of dues in respect of such matters.

A simple application to migrate in appropriate authorisation should be proposed. As all license holders are verified once, need not be asked for any entry fee or processing fee. Pro rata entry fee refund can also be proposed and can also be adjusted against current license fees.

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

Response:

We do not see any requirement of putting in place any guidelines for mergers /transfers. The transfer/merger of Authorisation should be permitted subject to approval of NCLT & new entity taking over all present and future liabilities

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

Response:

No, there is no need to formulate guidelines for deciding on the types of violations of terms and conditions as the provisions under the Act are comprehensive and a separate consultation on draft Telecommunications (Adjudication and Appeal) Rules, 2024 is underway. However, the guidelines as and when formulated may cover the following:

Objectives of the Guidelines

1. Clarify the types of violations corresponding to each category
2. Establish a clear framework for enforcement and penalties
3. Provide Follow a guidance-based approach for service providers to ensure better manage compliance
4. Ensure consistency in decision-making by regulatory authorities

Key Components of the Guidelines

1. **Categorization of Violations:** Clearly define the types of violations that fall under each category (e.g., minor, major, critical) defined under the 2nd Schedule
2. **Description of Violations:** Provide detailed descriptions of each type of violation
3. **Penalty Framework:** Establish a framework for penalties corresponding to each category of violation
4. **Mitigating Factors:** Identify mitigating factors that may influence penalty decisions

5. **Procedures for Enforcement:** Outline procedures for enforcement, including notice periods, hearings, and appeals

However, we suggest that sector must be regulated with minimal rules and regulations, and there should be light touch approach for most unintentional errors or omissions. In last decade the sector has faced lots of regulatory and market based challenges and need some careful approach and special attention.

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

Response:

1. **Infrastructure Sharing:** Encourage infrastructure sharing among service providers to reduce costs and promote rural connectivity including spectrum.
2. **Regulatory Sandbox:** Create a regulatory sandbox for testing innovative services and technologies, promoting R&D and investment.
3. **Rural Connectivity:** Introduce initiatives to enhance rural connectivity, addressing the digital divide and promoting inclusive growth.

These inputs and suggestions aim to promote a conducive regulatory environment, encouraging investment, innovation, and quality services in the telecommunications sector.

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.

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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.

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Q38. In case it is decided to merge the scopes of the extant NLD Service authorization and ILD Service authorization into a single authorization namely Long Distance Service authorization under the Telecommunications Act, 2023, what should be the: - (i) Amount of application processing fees (ii) Amount of entry fees (iii) Provisions of bank guarantees (iv) Definitions of GR, ApGR and AGR (v) Rate of authorisation fee (vi) Minimum equity and networth of the Authorised entity Please support your response with proper justification.

Response:

(a) TRAI recommendation of “Rationalisation of entry fee and bank guarantee” dated 19th September 2023 to be implemented.

(b) Definitions of GR, ApGR and AGR

The scope of revenue should be limited to revenue from licensed activities only. The activities that do not require authorization under the Act should be excluded from the ambit of LF.

The scope of deduction should be increased to make it effective and should include charges paid by one TSP to another TSP to avoid the cascading effect of LF.

Co-existence of licensed telecom services with non-licensed services/products should not attract levy on composite product/service. DoT can protect its legitimate revenue by adopting a fair valuation approach.

(c) Rate of authorisation fee

First, USOF levy (5%) should be delinked the from license/authorisation fee (3%).

The license/authorisation fee should be brought down from 3% to below 1%. The Government now earns significant revenues from spectrum auctions; and it is unlike the time when spectrum was bundled with license and LF was the only source of revenue for the Government. Thus, LF levy needs to be rationalized to recover only administrative costs.

The USOF levy should be abolished altogether, or at least kept in abeyance till the unutilized corpus gets fully utilized. To encourage service providers in increasing rural coverage, the rate of USOF levy applicable to a service provider must be made inversely proportional to the rural coverage achieved by it.

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 124 (iv) Definitions of GR, ApGR and AGR (v) Rate of authorisation fee (vi) Minimum equity and networth of the Authorised entity Please support your response with proper justification.

Response: 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.

Response:

As submitted under Q15, there is no need to club any authorisations other than NLD and ILD.

Q41. In case you are of the opinion there is a need to introduce certain new authorisations or sub-categories of authorisations under the Telecommunications Act, 2023, what should be the: - (i) Amount of application processing fees (ii) Amount of entry fees (iii) Provisions of bank guarantees (iv) Definitions of GR, ApGR and AGR (v) Rate of authorisation fee (vi) Minimum equity and networth of the Authorised entity Please support your response with proper justification.

Response:

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.

Response: As Per TRAI Recommendation

Q43. Whether the amount of entry fee and provisions for bank guarantee for various service authorisations including VNOs, other than the merged/clubbed/new service authorisations, should be: i. kept the same as existing for the various service authorisations under the UL/UL(VNO) license ii. kept the same as recommended by the Authority for the various service authorisations under the UL/UL(VNO) license, vide its Recommendations dated 19.09.2023 iii. or some other provisions may be made for the purpose of Entry Fee and Bank Guarantees Please support your response with proper justification separately for each authorisation.

Response:

The amount of entry fee should be kept the same as existing for the various service authorisations under the UL/UL(VNO) license.

The requirement of BGs should be done away with altogether. However, in case it is retained, the same provisions should continue as currently existing.

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

Response:

(i) **Chapter III (Financial Condition) of the UL:**

LF Payment & Assessment

Advance payment of License Fees

Clause 20.4 of the UL, which provides for the schedule of payment of LF, requires the payment for 4th quarter of the year by 25th March on the basis of expected revenue for the quarter, subject to a minimum payment equal to the revenue share paid for the previous quarter.

Clause for Reciprocal Interest

Further, clause 20.7 of UL prescribes interest in case of any delay in payment of LF. Since the payment for the 4th quarter is in advance and on an estimated basis, there may be some excess/ short payment of LF. Again, as per clause 20.8, the final adjustment of LF is to be done on the basis of the audited statement submitted by the licensee. Many a times, in order to avoid accumulation of penal interest, TSPs estimate by keeping additional margin leading to excess payment of LF.

However, despite being a contract wherein parties to contract have equal rights, while DoT has kept provision for charging interest on short/delayed payment, there is no reciprocal provision for interest in case of refund becoming due to the TSP. It is to be noted that even in case of Income Tax refunds, which is a statutory levy, there is provision to pay interest on Tax refunds for delay beyond a particular period.

Special Audit of TSP

Clause 22.5 and 22.6 of the UL provide for Special Audit of the TSP, appointment of Special Auditors, their powers, cost etc. and appear to be repetitive in nature. Additionally, at present the clause is one sided and does not allow right of representation against decision for such special Audit.

Therefore, we recommend the following provisions/modification under the financial conditions of the License Agreement:

A. LF Payment & Assessment

1. In case of advance payment to be made on 25th March, there should not be a mandate to pay minimum equal to the payment made for 3rd quarter of the year. Further, if it needs to be mandated, then interest should not be levied in case there is a shortfall in the payment which got actualized/paid at the time of final payout, i.e. on 15th April.
2. There should be provision for reciprocal interest in case of refund due to the TSP.

This will ensure timely assessment and no loss to TSP even if some excess payment has been made by the TSP, besides ensuring time value of money.

B. Special Audit:

1. Clause 22.5 and 22.6 may be combined into one.
2. The new clause should also provide for an 'opportunity of being heard' to be given to TSP before finalizing decision on Special Audit, and for a reasoned order against the TSP's submissions.

(ii) Pass-Through Deductions for Infrastructure Sharing Charges

In case of a VNO, all charges paid to ISP/TSP through whose network the VNO's services are actually provisioned, is allowed as deduction from GR/ApGR. However, if the ISP/TSP takes bandwidth from another ISP/TSP to complete its network, the same is not allowed as a deduction.

It is be understood that similar to VNO, ISP/TSP also takes services from another ISP/TSP to complete the gap in ultimate service to be rendered to end customer. For example, an Access Licensee establishes a network connection with an ISP to allow its customers access to internet or an NLD license takes last mile connectivity from other NLD/Access provider to serve its end customers etc.

Thus, the way amount paid by a VNO to ISP/TSP is an input cost for VNO, the charges paid by one ISP/TSP to another ISP/TSP is also an input cost for the ISP/TSP paying the same. Additionally, NDCP 2018, vide section 2.1(b)(ii), provides that the LF paid on any input services should be set off against the LF payable by an operator on output service, thereby avoiding double incidence of levies.

Therefore, the charges for infrastructure sharing paid by one ISP/ TSP to another ISP/TSP should be allowed as deduction while computing the AGR of paying TSP and the conditions to that extent should be modified.

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

Response:

As submitted under Q13-14, there is neither any need to introduce separate DCIP authorisation nor to club it with IP-I registration.

Q46. For MNP license and CMRTS authorisation, should the amount of entry fee and provisions of bank guarantees be: i. kept same as existing for the respective license/authorisation. ii. kept the same as recommended by the Authority vide its Recommendations dated 19.09.2023 iii. or some other provisions may be made for the purpose of Entry Fee and Bank Guarantees Please support your response with proper justification separately for each authorisation.

Response:

No Comments.

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

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Q48. If answer to question above is no, what should be the new/revised financial requirement viz. bank guarantee/ entry fee/ processing fee/ authorisation fees/ registration fees or any other charge/

fees? Please provide detailed justification in support of your response for each other license/ registration/ authorisation/ permission separately.

Response: No Comments.

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

Response: No Comments.

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

Response:

In the interest of ease of doing business, the requirement to submit an Affidavit with quarterly payment of LF and SUC should be done away with altogether. There is no need to even replace it with a Self-Certificate with similar content, as Aadhaar-based verification is carried out at the submission. In such a scenario, both Affidavit and Self-Certificate would only lead to time lag without adding any value.

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 alongwith detailed justification for the inclusion/deletion.

Response:

Yes, revising and simplifying the existing formats for Statement of Revenue Share and License Fee is necessary to ensure clarity, accuracy, and ease of compliance. Here's a list of suggested modifications:

Additions:

Clear definitions: Include clear definitions of revenue, license fee, and other key terms to avoid ambiguity.

Gross Revenue vs. Adjusted Gross Revenue: Clarify the distinction between Gross Revenue and Adjusted Gross Revenue, ensuring consistency in calculations.

License fee calculation: Provide a step-by-step calculation of the license fee, including any applicable deductions or exemptions.

Payment schedule: Include a payment schedule or due dates for license fees to avoid confusion.

Deletions:

Redundant information: Remove redundant or unnecessary information, such as duplicate columns or data points.

Complex calculations: Simplify complex calculations or formulas, replacing them with clear, step-by-step instructions.

Ambiguous terms: Remove ambiguous terms or phrases that may lead to misinterpretation.

Modifications:

Reorganize columns: Reorganize columns for better readability and logical flow.

Standardize formatting: Standardize formatting throughout the statement to ensure consistency.

Clear headings: Use clear, descriptive headings for each section or column.

By revising and simplifying the existing formats, the Government can ensure that the Statement of Revenue Share and License Fee is a useful tool for effective regulation and compliance monitoring.

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.

Response:

As submitted under Q5-6, we advocate for a detailed consultation on these aspects to refine the approach towards a unified service authorization at a national level.

Accordingly, the format of AGR Statement for such authorisation may be finalized only after such detailed consultation.

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

Response: No Comments.

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

Response:

No Comments

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

Response: No Comments.

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

Response: No Comments.

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

Response:

At present, the norms of accounting under the license do not allow to follow a consistent accounting policy which is a basic norm for the preparation of any financial statement. For instance, while Revenue is allowed on accrual basis, Expense is allowed on actual paid basis.

Further, as per the norms of preparation of Annual Financial Statement as prescribed under the license agreement, there are many items of information that are not relevant today, e.g.:

- Service Tax/Sales Tax billed, collected and remitted to the Government
- Details of income from sale of goods indicating income and no. of units sold, method of inventory valuation, cost of goods sold etc.
- Increase /decrease in stock
- Details of reversals of previous years' debits to be shown component wise

Therefore, it is suggested that the AGR Statement should be prepared following a consistent approach adopted all across industry and the requirements should be aligned with the Companies Act.

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

Response: No Comments.

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

Response:

Application Processing Fee for Migration In case of migration from a license to an authorization, the application processing fee should not be applicable. Here's why:

Reasons:

1. **Migration is an administrative process:** Migration is a process of transitioning from one regulatory framework to another, rather than a new application for authorization.
2. **No additional regulatory effort:** The regulatory effort required for migration is minimal, as the entity is already authorized to provide telecommunication services.
3. **Avoidance of double charging:** Charging an application processing fee for migration would amount to double charging, as the entity has already paid fees for the initial license.
4. **Encouraging compliance:** Waiving the application processing fee for migration encourages entities to comply with the new regulatory framework, promoting a smooth transition.

By not charging an application processing fee or keeping it nominal, the Government can facilitate a smooth transition for entities migrating from licenses to authorizations, promoting compliance and reducing regulatory burdens.

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

Response:

For terrestrial services, security requirements must be kept minimal, except allowing only trusted sources equipment. For ILD or gateway authorisation security requirements can be elaborated after having detailed consultation with all stake holders.

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

Response:

In addition to the authorisation model, the fees and charges associated with providing telecommunication services warrant consideration. The following issues and suggestions aim to ensure a fair, transparent, and competitive framework:

Issues:

1. **Fees Structure:** The current fee structure may not be aligned with the authorisation model, potentially leading to confusion and inconsistencies.

2. **Lack of Transparency:** The fee determination process may lack transparency, making it challenging for applicants to understand the rationale behind the fees.
3. **High Fees:** Excessive fees can deter new entrants, limit competition, and increase costs for consumers.
4. **Fees for Spectrum Allocation:** The fees for spectrum allocation may not be aligned with international best practices, potentially affecting the overall cost of services.

Suggestions:

1. **Review and Rationalise Fees:** Conduct a comprehensive review of the fees structure to ensure it is aligned with the authorisation model and reflects the actual costs of regulation.
2. **Transparent Fee Determination:** Establish a transparent fee determination process, involving public consultation and clear justification for fees.
3. **Fees Exemption/Reduction:** Consider exempting or reducing fees for certain types of services, like rural or social services, to promote digital inclusion.
4. **Annual Fee Payment:** Allow authorised entities to pay fees annually, rather than quarterly, to reduce financial burdens and promote cash flow management.
5. **Fee Refund/Credit:** Introduce a fee refund or credit mechanism for authorised entities that surrender their authorisation or return unused spectrum.

By addressing these issues and implementing these suggestions, the fees and charges framework can support the growth and development of the telecommunications sector in India.
