

TELECOM REGULATORY AUTHORITY OF INDIA

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TRAI provides its recommendations on Unified Licensing to the Government

- **End of License Raj in the Telecom Sector**
- **Automatic Licensing/Authorisation to be introduced for all telecommunication services.**
- **The Regime to prevent litigation between services and technologies, thus ensuring access to the best technology for the consumer and prevention of claims on the Government at the time of shifts between services / technology**
- **Guidelines of new Licensing Regime to be recommended within six-months after a consultative process.**
- **Unified Access Licensing Regime to be introduced immediately.**
- **Process to be voluntary.**
- **CMSPs not to pay any entry fee whereas BSOs to pay the difference between 4th CMSPs License fee and BSO fee.**
- **No additional fee to be paid where no 4th CMSPs has come despite repeated biddings.**
- **No additional spectrum to be offered with migration.**
- **As an alternative, bidding process also suggested but additional spectrum to be offered with such bid.**
- **In the Unified Access Licensing Regime M/s. Reliance to pay additional penalty over and above entry fee for already offering mobility services almost similar to cellular mobile services.**

The TRAI today provided its recommendations to the Government on Unified Licensing. These recommendations take account of the technological developments, extended scope of services provided by new technologies, falling

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cost of wireless services, blurring of differences between wire-line and wireless increasing competition among these services and the converging tariffs for wire-line and wireless services, and the international trend for non-service specific licenses through a process of Authorisation/Converged licenses. The TRAI is of the opinion that with such developments, we should move to a Unified Licensing Regime, starting with a Unified Access Licensing Regime at present. The Authority's recommendations thus include both details on Unified Access Licensing as well as the direction towards an overall Unified Licensing Regime so that the service providers are informed about the first step as well as the broad features of the Unified Licensing Regime.

The main recommendation is :-

The present system of Licensing should be replaced by Unified Licensing/Automatic Authorisation Regime. The objective of the Unified Licensing/Authorisation Regime is to be achieved in a two-stage process with the Unified Access Regime for Basic and Cellular Services in the first phase, to be followed up with a process to define the guidelines and rules for fully Unified License/Authorisation Regime.

The detailed recommendations are as under :-

Unified Licensing/Automatic Licensing Regime :

- ❖ The process of replacement of existing Licensing Regime with Unified Licensing through an Authorisation/Automatic Licensing process for all telecom services is to be initiated within six months, and recommendations will be provided following a consultation process.
- ❖ The Unified Licensing Regime would be implemented through Automatic Licensing/Authorisation subject to notification to the licensor and Regulatory Authority and compliance with published guidelines.
- ❖ The guidelines for Unified Licensing would be notified by the licensor based on TRAI recommendations to include nominal entry fee, USO, etc. The charge for spectrum shall be determined separately through appropriate mechanism.
- ❖ The choice of Area/Service under the Unified License would be left to the operator.

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- ❖ Before migration to Unified Licensing/Authorisation the guidelines will have to be prescribed after consultation with various stakeholders so as to protect the interest of existing operators.

Unified Access Licensing (for Basic and Cellular Mobile)

- ❖ The existing operators would have an option to continue under the present Licensing Regime (with present terms & conditions) or migrate to new Unified Access Licensing Regime in the existing circles.
- ❖ The License fee, service area, rollout obligations and Performance Bank Guarantee under the Unified Access Licensing Regime will be same as for existing cellular service providers. Network growth in rural areas would be met through USO and funding from Access Deficit Charge (ADC) Regime, where applicable.
- ❖ The service providers migrating to Unified Access Licensing Regime will continue to provide wireless services in already allocated/contracted spectrum and no additional spectrum would be allotted under the migration process for Unified Access Licensing.
- ❖ Recommendations for efficient spectrum utilisation and spectrum pricing are to be issued separately by TRAI shortly.
- ❖ Intra- circle Mergers & Acquisitions should be permitted subject to guidelines for Mergers & Acquisitions, which will be recommended by TRAI separately.
- ❖ CMSPs may offer existing limited mobility facility at appropriate tariffs through concepts such as home-zone operations, etc.
- ❖ The existing BSOs after migration to Unified Access Licensing Regime may offer full mobility, however, WLL(M) operators after migration will be required to offer limited mobility service for such customers who so desire.
- ❖ The service providers, both Basic as well as Cellular Mobile, will be free to offer basic and/or cellular mobile service using any technology.
- ❖ The entry fee for Unified Access Licensing Regime will be the entry fee paid by the 4th cellular operator, after deducting the entry fee paid as BSO.
- ❖ No additional entry fee should be charged from CMSPs for migration to Unified Access Licensing.

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- ❖ No extra entry fee will be paid by the existing service providers where no 4th CMSPs had bid despite repeated attempts, for example, Bihar, Orissa, West Bengal, Andaman & Nicobar and Assam, etc.
- ❖ TRAI considers that M/s. Reliance Infocomm, one of the basic service operators, has been offering network services almost like an unlimited mobility service by using techniques such as multiple registration, callforwarding. Therefore, it is recommended that for Unified Access License, Reliance Infocomm should pay entry fee paid by the 4th cellular mobile, minus the amount paid by BSO as entry fee, plus an amount which would be similar to delayed payments of CMSPs' license fee. Thus, M/s. Reliance Infocomm should pay a penal interest as per the conditions laid down in Cellular Mobile Service Agreement from the date of signing their existing BSOs agreement till the date of migration to Unified Access Licensing Regime, as applicable to the delayed payments of CMSPs license fee and other dues.
- ❖ The migration to Unified Access License would be on voluntary basis and those WLL(M) players who do not wish to migrate to the full mobility regime, would only be required to pay the fee for WLL(M), with mobility strictly within SDCA, being recommended in line with TDSAT's direction.
- ❖ Some newspapers have criticised the reported move of TRAI recommending financial restructuring of cellular companies. It is reiterated that TRAI has never examined this issue at any stage since it is not in TRAI's jurisdiction.
- ❖ For more details please see – www.trai.gov.in

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