

D.O. No.416-3/2006-FN
23rd March 2007

Dear Shri Mathur,

Subject: TRAI Recommendations on Terms & Conditions of Licence in respect of Resale in IPLC Segment.

This refers to the Department of Telecommunication letter No.16-03/2006-BS.I dated the 23rd November 2006, requesting the Telecom Regulatory Authority of India (TRAI), for recommendations on Terms and Conditions of the Licence in respect of Resale in IPLC Segment.

2. To formulate these recommendations on the above issue TRAI, as per its established practice, has completed the process of public consultation. This process, inter alia, included preparation of a consultation paper on the subject so as to make an attempt to analyse the various issues connected with the terms & conditions of the licence to be issued for Resale in IPLC Segment. Inputs from various stakeholders were solicited. Open House Discussion was also held at Delhi on the 29th January 2007. All these inputs have been duly considered by TRAI, before finalizing its Recommendations on the subject.

3. We are forwarding with this letter the Recommendations on Terms and Conditions of Licence to be incorporated in the Licence to be issued for Resale in IPLC Segment. These Recommendations are related to different aspects such as scope of the Resellers, eligibility criteria, licence fee structure, duration of the licence, security conditions etc.

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4. We hope that Recommendations so made will be accepted by the Government and will result in introduction of Resale in IPLC Segment and lead to lower prices for the consumers. The Authority is of the view that the Recommendations are consumer friendly and are in public interest. It also expects that its Recommendations will be fully incorporated in the Licence agreement in order that the objective with which these have been made are achieved.

5. The draft amendment required in the clause 2.2 (a) of ILD licence agreement is also enclosed herewith. Apart from amendment in Clause 2.2(a), DOT need to amend the ILD service licence conditions to ensure that ILDOs are responsible for any security breach or instructions in accordance with functional responsibility of ILDO for sale of IPLC bandwidth to Resellers. This needs to be notified simultaneously with the amendment in clause 2.2 (a).

6. The Recommendations along with the text of this letter have been placed today on the TRAI's website (www.traigov.in) for public information.

With Regards,

Yours Sincerely,

Encls: Recommendations document.

(Nripendra Misra)

Shri D.S.Mathur,
Secretary,
Department of Telecommunications,
Sanchar Bhavan,
New Delhi-110 001.