The Department of Telecommunications (DoT) through its letter No. 824-200/CAP-VSAT/POLICY/2013-DS dated 17th March, 2016 had requested TRAI to issue its recommendations of minimum license fee in respect of 2nd Hub in Captive VSAT Closed User Group (CUG) network under Captive VSAT CUG License. Through the reference, DoT had informed that at present license fee for 2nd Hub in Captive CUG VSAT network is levied as per order No. 204-96-PHC dated 29.08.1997. DoT had sought recommendation of the Authority specifically to decide on the minimum License Fee to be levied in respect of 2nd Hub in Captive VSAT segment.

2. After receiving the reference, upon consultation, some of the Captive VSAT licensees brought out some additional issues related to applicability of Royalty charges and delay in approvals in augmentation of bandwidth for Captive VSAT. These issues were also included for consultation of the stakeholders, so as to provide comprehensive recommendations on issues concerning Captive VSAT license.

3. The Consultation Paper on 'Captive VSAT CUG Policy issues' was issued on 28th October, 2016, seeking comments of the stakeholders. Subsequently, an Open House Discussion (OHD) was convened on 19th January 2017. In order to bring clarity on calculation of Royalty Charges, the Authority vide letter of even no. dated 24th March, 2017 had sought certain clarifications from DoT. Accordingly, DoT vide its letter No. 824-200/CAP-VSAT/POLICY/2013-DS dated 9th May, 2017, provided the clarification and related information to the Authority.

4. Based on the comments of stakeholders, DoT clarification and in-house analysis & research, the Authority has finalised its recommendation on “Captive VSAT CUG Policy issues”. The same is enclosed herewith.

5. In keeping with practice, a copy of this letter, along with the recommendations, is being placed on the website of TRAI www.trai.gov.in

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Yours sincerely,

(Sudhir Gupta)