

## Information note to the Press (Press Release No.03/2015)

For Immediate Release

### Telecom Regulatory Authority of India

#### **TRAI releases Recommendations on “Definition of Revenue Base (AGR) for the Reckoning of License Fee and Spectrum Usage Charges”**

**New Delhi, 6 January, 2015** – The Telecom Regulatory Authority of India (TRAI) has today issued its Recommendations on **“Definition of Revenue Base (AGR) for the Reckoning of License Fee and Spectrum Usage Charges”**.

2. The Authority has taken note of disputes / litigations between licensor and licensees on definition of Gross Revenue and Adjusted Gross Revenue under licence(s) granted by Department of Telecommunications for different telecom services. Further, National Telecom Policy 2012 portrayed the need to rationalize taxes, duties and levies impacting the Indian telecom sector. The Authority therefore, has *suo motu* decided to review the existing definition of Revenue, licence fee rate and other related matters under section 11(1)(a)(ii) of the TRAI Act. Further, there was also a reference from DoT (no. 800-23/2011-VAS of 7<sup>th</sup> July, 2014) requesting TRAI to submit recommendations for delinking of licensing of networks from delivery of services by way of virtual network operators, etc., including associated issues such as AGR, terms of sharing of passive and active infrastructure, etc., under the unified licensing regime. A separate consultation paper has been issued in this regard on 5<sup>th</sup> December 2014, dealing with the issues under reference other than AGR.

3. The Authority issued a consultation paper on **“Definition of Revenue Base (AGR) for the Reckoning of License Fee and Spectrum Usage Charges”** on 31<sup>st</sup> July 2014. Written comments and counter comments were invited from stakeholders by 15<sup>th</sup> September 2014 and 22 December 2014 respectively. The comments and counter comments received from the stakeholders were placed on TRAI’s website [www.trai.gov.in](http://www.trai.gov.in). An Open House Discussion was conducted on 1<sup>st</sup> October 2014 at New Delhi by TRAI with the stakeholders

4. After considering the comments received from the stakeholders and further analysis, the Authority has come out with its recommendations on **“Definition of Revenue Base (AGR) for the Reckoning of License Fee and Spectrum Usage Charges”**. The salient features of the recommendations are given below:

- (i) Licence Fee (LF) and Spectrum Usage Charges (SUC) should continue to be computed based on Adjusted Gross Revenue.



