

TELECOM REGULATORY AUTHORITY OF INDIA

PRESS RELEASE No. 22/ 2004

March 13, 2004

TRAI Consultation Paper on Unified Licensing Regime

1.1 TRAI today issued a Consultation paper on 'Unified Licensing Regime'. This paper aims to gather the comments of stakeholders for implementation of Unified Licensing regime for all telecom services.

1.2 The evolving telecommunication technologies, market trends, international trends, increasing bandwidth capabilities, the need to accelerate growth of telephone density in public interest, possibilities of innovative services and increasing use of IP technology are blurring the boundaries between different services (as they are known today) and eliminating the importance of distance. This blurring of boundaries and ability of operators to offer services using a particular technology which may not be covered in existing service specific license results in disputes and litigations. Licensing Regime should enhance the scope of applications and services, thereby removing the artificial barriers imposed on the application of technology and thus avoiding innumerable disputes and time consuming litigations. There is also a need to exploit the special strengths of small niche operators especially in rural, remote and less developed areas, besides the larger or integrated operators.

1.3 Thus, it is envisaged that a new licensing Regime – the Unified Licensing/Authorisation Regime – be implemented in which service providers may be able to offer any or all services, using technology of his/her choice with area of operation so defined as to promote greater participation of all types of big and small entrepreneurs.

1.4 The **key objectives** of the Unified Licensing/Authorisation Regime is to encourage free growth of new applications and services leveraging on the technological developments in the Information and Communication Technology (ICT) area. Other main objectives of the Unified Licensing Regime are to:

- Simplify the procedure of licensing in the telecom sector,
- Ensure Flexibility and efficient utilisation of resources keeping in mind the technological developments
- Encourage efficient small operators to cover niche areas in particular rural, remote and telecommunication facilities wise less developed areas.
- Ensure No- worse off, level playing field and easy entry.

1.5 It may be recalled that TRAI in its recommendations on Unified Licensing Regime to the Government on 27th October 2003, had recommended that 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 Government had accepted TRAI's recommendations and Unified Access Licensing Regime has already been implemented.

1.6 It may also be recalled that TRAI has issued a Preliminary consultation paper on 'Unified Licensing Regime' on November 15, 2003. From the responses received on the questions raised in the preliminary consultation paper, there appears to be a general consensus on moving towards a Unified Licensing Regime. However, there have been several comments on specific issues that require detailed examination before any decision is taken.

1.7 This consultation paper is based on the extensive analysis, comments received from various stakeholders on TRAI's Preliminary consultation paper, study of market conditions and international trends. The objective of this consultation paper is to examine the various licensing, regulatory and level playing field issues in enabling a Unified Licensing Regime.

1.8 The consultation paper seeks the comments of various stakeholders on the following:

- i) Framework of Unified Licensing Regime
- ii) Registration Charges/Entry fee/Authorisation Charges
- iii) Service Area

iv) Other licensing terms and conditions

- Annual License Fee
- Bank Guarantees
- Roll-Out obligations
- Interconnection
- Spectrum charges
- Numbering
- Sharing of Infrastructure and Direct Interconnectivity across service areas
- Resale of services

1.9 The Consultation Paper has been placed on TRAI's web-site (www.trai.gov.in) and comments of stakeholders have been invited by April 30, 2004.