

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

UNSTARRED QUESTION NO:5388

ANSWERED ON:23.04.2001

REVENUE SHARE FOR VSAT SERVICE PROVIDERS

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Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Department of Telecommunications (DoT) has decided to go for a flat revenue share for Very Small Aperture Terminal (VSAT) service providers;
- (b) if so, the details thereof;
- (c) the amount of licence fee being paid by Very Small Aperture Terminal (VSAT) service providers at present;
- (d) whether Telecom Regulatory Authority of India (TRAI) had recommended a three-tier licence fee system; and
- (e) if so, the time by which a final decision is likely to be taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) No, Sir.

(b) Does not arise in view of (a) above.

(c) The existing structure of licence fees for 64 Kbps Closed User Group (CUG) data network via INSAT satellite system using VSATs is Rs. 50, 000/- per VSAT per annum (p.a.) subject to minimum of :

(i) For 1st and 2nd year Rs. One crore p.a.

(ii) For 3rd year Rs. 1.5 crores p.a.

(iii) For 4th and 5th year Rs. 75 lakhs p.a.

(iv) For sixth year Rs. One crore p.a.

(d) The structure of licence fees for VSAT services as recommended by TRAI for basic rate bearer service i.e. 64 Kbps is as follows:

1 to 500 VSATs	Rs. 20,000 per VSAT p.a., with a minimum of Rs. 30 Lakhs p.a. ##
501 to 1000 VSATs	Rs. 15,000 per VSAT p.a., with a minimum of Rs. 100 Lakhs p.a.
Above 1,000 VSATs	Rs. 10,000 per VSAT p.a., with a minimum amount of Rs, 150 lakhs

the amount of Rs. 30 lakhs which is stipulated as the minimum license fee also serves the purpose of an entry fee.

TRAI has also recommended that an additional licence fee be charged in the form of a surcharge per VSAT for higher than basic (64 Kbps) bearer service on the CUG which is as follows:-

(i) Above 64 Kbps and upto 128 Kbps Rs. 10, 000

(ii) Above 128 Kbps and upto 384 Kbps Rs. 20, 000

(ii) Above 384 Kbps and upto 512 Kbps Rs. 50, 000

TRAI has recommended that

(i) for inclined orbit operation, a 25 percent discount on the per VSAT licence fee and

(ii) no licence fee for `Receive Only` terminals.

(e) New guidelines for VSAT services are likely to be finalized shortly.