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**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2006-2007)**

FOURTEENTH LOK SABHA

**MINISTRY OF COMMUNICATIONS
AND INFORMATION TECHNOLOGY
(DEPARTMENT OF TELECOMMUNICATIONS)**

*[Action taken by Government on the Recommendations/Observations of the
Committee contained in their Seventeenth Report (Thirteenth Lok Sabha)
on 'Limited Mobility through WLL for Fixed Service Providers']*

THIRTY-FIFTH REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2006/Agrahayana, 1928 (Saka)

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Presented to Lok Sabha on 13.12.2006

Laid in Rajya Sabha on 13.12.2006



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LOK SABHA SECRETARIAT
NEW DELHI

December, 2006 / Agrahayana, 1928 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON
INFORMATION TECHNOLOGY (2006-07)

Shri Nikhil Kumar — *Chairman*

MEMBERS

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3. Shri Nikhil Kumar Choudhary
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3. Shri Raj Shekhar Sharma — *Director*
4. Shri Cyril John — *Under Secretary*
5. Shri D.R. Mohanty — *Executive Officer*

INTRODUCTION

I, the Chairman Standing Committee on Information Technology (2006-07) having been authorised by the Committee to submit the Report on their behalf, present this Thirty-Fifth Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in their Seventeenth Report (Thirteenth Lok Sabha) on 'Limited Mobility through WLL for Fixed Service Providers' relating to the Ministry of Communications and Information Technology (Department of Telecommunications).

2. The Seventeenth Report was presented to the Lok Sabha on 8 March, 2001 and laid on the Table of Rajya Sabha on the same day. The Department furnished updated Action Taken Notes on the Recommendations/Observations contained in the Report on 18 October, 2005.

3. The Report was considered and adopted by the Committee at their sitting held on 06.12.2006.

4. For facility of reference and convenience, the Recommendations/Observations of the Committee have been printed in bold letters in the body of the Report.

5. An analysis of Action Taken by Government on the Recommendations/Observations contained in the Seventeenth Report (Thirteenth Lok Sabha) of the Committee is given at Annexure-II.

NEW DELHI;
8 *December*, 2006

17 *Agrahayana*, 1928 (*Saka*)

NIKHIL KUMAR,
Chairman,
Standing Committee on
Information Technology.

CHAPTER I

REPORT

This Report of the Standing Committee on Information Technology deals with action taken by Government on the recommendations/observations of the Committee contained in their Seventeenth Report (Thirteenth Lok Sabha) on “Limited Mobility through WLL for Fixed Service Providers (FSPs)” pertaining to the Department of Telecommunications (DoT).

2. The Seventeenth Report was presented to the Lok Sabha on 08th March, 2001 and laid on the table of the Rajya Sabha the same day. It contained 8 recommendations/ observations.

3. Action Taken Notes in respect of all the recommendations/observations contained in the Report have been received and categorized as under:—

- (i) Recommendations/Observations which have been accepted by the Government:—

Para Nos. : 62 to 69

Chapter - II
Total - 8

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government:—

Para Nos. : Nil

Chapter - III
Total - Nil

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:—

Para Nos. : Nil

Chapter - IV
Total - Nil

- (iv) Recommendations/Observations in respect of which replies are of interim nature:—

Para Nos. : Nil

Chapter - V
Total - Nil

4. The Committee will now deal with the action taken by Government on their recommendations/observations.

5. In their Seventeenth Report on “Limited Mobility”, the Committee had observed that the Wireless in Local Loop (WLL) technology, at the beginning provided for a Fixed Wireless Terminal (FWT) to be installed in the subscribers’ premises, but with the advancement of technology, it was proposed to supplement the FWTs with mobile handsets capable of limited mobility within a radius of 50 kms. Introduction of Limited mobility was vehemently opposed by the Cellular Operators Association of India (COAI) for various reasons which include alleged violation of the terms and conditions of the licence agreement for Fixed Service Providers (FSPs), sub optimal utilization of spectrum, equitable, cost based and non-discriminatory inter-connection access charges etc. According to the then Association of Basic Telecom Operators (ABTO) now rechristened as Association of Unified Service Providers of India (AUSPI), if some new services arising out of technological innovations which were not permitted in the licence conditions of the cellular operators could be enjoyed by the Cellular Mobile Service Operators (CMSOs) they should not grudge if some benefits, which were not originally envisaged in the Basic Service Operators (BSO) licenses, were accorded to them in the interest of the consumers. Similarly, on the spectrum scarcity and usage issue, Telecom Regulatory Authority of India (TRAI) had clarified that introduction of a service could not be restrained only because in the initial stages the demand was likely to outstrip the supply. The Department of Telecommunications (DoT) were also of the view that ‘limited mobility’ service should be introduced especially for the benefit of the consumers who could not afford full mobility services. The Committee after considering the views of COAI, AUSPI (the then ABTO), TRAI as well as DoT were of the opinion that when the development in technology permitted a new and an affordable facility, it should not be denied to the consumers including those in rural, remote and inaccessible areas. The Committee also recommended that every possible care should be taken to see that advantages accorded to the Basic Service Operators (BSOs) in the form of “limited mobility’ did not act as a deterrent to the expansion of Global System for Mobile (GSM) cellular operations. The Committee further desired that continuous review should be made towards the effect of the decision taken to introduce limited mobility, consistent with the interest of the consumers and faster expansion of the telecom network at affordable tariff.

6. The Department of Telecommunications in their Action Taken Notes have stated that the issue of limited mobility has been settled with the dismissal of the petition of the cellular operators by the Hon’ble Supreme Court as withdrawn. Moreover, consequent upon the issue of Addendum to NTP-99 in November 2003, Unified Access Service Licence Regime (UASL) has been put in place. Under this licence, a service provider can provide fixed services, limited mobile services and fully mobile services. Thus, the existing Basic and Cellular Operators have been allowed to migrate to UASL regime.

7. The Department have also stated that direct connectivity with international long distance operators has been permitted to the Access Service Providers since 1st April, 2002. Further, revenue sharing arrangement has also been revised in forms of origination, termination and Access Deficit Charges (ADC) from 1st May, 2003. At

present, the termination charges for all Cellular as well as basic services are the same.

8. The Department have further pointed out that introduction of limited mobility has not acted as a deterrent to the expansion of the cellular operations as consistent growth has been observed in the number of subscribers in Basic as well as Cellular services.

9. **The Committee while concurring with the introduction of ‘limited mobility’ had observed that it would enable the citizens to avail mobile phone facilities at reasonable and affordable prices. The Committee were of the view that Wireless in Local Loop (WLL) would substantially facilitate the roll out in rural and Technically Non-Feasible (TNF) urban areas. In their opinion, where technology allowed an expanded service at an affordable price to the advantage of consumers, especially in rural areas, maximum competition should be permitted in the telecom sector consistent with the need for a level playing field and keeping in view the ambitious teledensity target set in New Telecom Policy (NTP), 1999. Since then, the subsequent developments in the telecom sector which *inter-alia* include introduction of the convergent licensing system, the phenomenal increase in the number of mobile telephone subscribers which have in fact outnumbered the landline subscribers and the substantial reduction in cellular phone tariffs have vindicated the stance of the Committee in recommending the introduction of limited mobility. The Committee find that most of the apprehensions of the cellular operators, against the introduction of limited mobility, have been put to rest with the introduction of the Unified Access Service Licence (UASL) regime wherein a telecom service provider can provide fixed, limited and fully mobile services. The Telecom Disputes Settlement and Appellate Tribunal (TDSAT) had also upheld the decision of the Department of Telecommunications (DoT) to allow limited mobility. The appeal filed by the Cellular Operators before the Hon’ble Supreme Court was dismissed as withdrawn in January, 2004. Thus, the contentious issue of ‘limited mobility’ has been settled once and for all. However, despite the introduction of such an innovative service primarily meant to boost rural telephony, the Committee are still much concerned to note that the rural teledensity stood at 1.86 as on April, 2006, whereas the urban teledensity, spearheaded by mobile telephony, has reached almost 40 as on the same date. The Committee, therefore, desire that the Department should take all appropriate measures to ensure that the telecom service providers perform better and adequately in rural and remote areas in order to bridge the urban-rural divide to a greater extent so that the purpose for which limited mobility was introduced is well served, especially in the expansion of mobile telephone services in the rural and remote areas.**

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Paragraph No. 62)

The New Telecom Policy (NTP), 1999 proclaims as one of its objectives, the transformation in a time bound manner, of the Telecom sector to a creative competitive environment in both urban and rural areas providing legal opportunities of a level playing field for all players. It states that convergence of both markets and technologies is a reality i.e. “forcing realignment of the industry”. It also mentions that this convergence now allows the Operators to use their facilities to deliver some services reserved for other operators necessitating a re-look into the existing policy framework. Thus, the thrust of NTP-99 is to increase tele-density, provide competition while ensuring level playing field as well as means for quicker roll out with the induction of new technologies providing cheaper communications. Pursuant to these objectives of the NTP-99, Department of Telecommunications (DoT) has been following a policy of unrestricted entry in all the Sectors as far as possible. In this context, the Committee notes that Wireless in Local Loop (WLL) technology which was allowed in the Fixed Service Providers (FSPs) licence itself has been given a new thrust. Earlier, this technology provided for a Fixed Wireless Terminal (FWT) to be installed in the subscribers’ premises, but with the advancement of technology now it is proposed to supplement the FWTs with mobile handsets capable of “Limited Mobility” within a radius of 50 Kms. This concept of “limited mobility” has become a bone of contention for the cellular operators for various reasons as brought out in the preceding paragraphs. On the other hand, Department of Telecommunications (DoT), Telecom Regulatory Authority of India (TRAI) and Association of Basic Telecom Operators (ABTO) have been vigorously advocating the introduction of limited mobility through WLL for Fixed Service Provider (FSPs). The Committee, after considering the views of COAI, ABTO, DoT as well as TRAI, feels that when the development in technology permits new and an affordable facility to the consumers, such facility should not be denied to the consumers including those in rural and inaccessible areas. However, any likely adverse impact on the proper operation of the entire system and particularly so far as existing operators are concerned who are entitled to conditions which provide for level playing field is to be kept in view and means found out to mitigate the same, if necessary.

Action Taken by Government

The petition filed by the Cellular Operators was dismissed as withdrawn by Hon'ble Supreme Court in Jan. 2004. Consequent upon the issue of Addendum to NTP'99 in Nov.'03 Unified Access Service License Regime has been put into place. Under this license, a service provider can provide fixed services, limited mobile services and fully mobile services, the existing Basic and Cellular Operators were allowed to migrate into Unified Access Service License regime. A copy of the guidelines for migration to Unified Access Service License regime is enclosed as Annexure-I. The entry fee and other terms and conditions are as that for the Fourth Cellular Operators for the service area.

(Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 15-2/2000-BSII(Vol. III) dated 18th Oct. 2005)

Comments of the Committee

Please *see* Paragraph No. 9 of Chapter I

Recommendation (Praragraph No. 63)

The first and foremost reservation that the COAI has expressed relates to the licence agreement of FSPs. According to the Association, the licence awarded to FSPs is only to provide fixed services and if FSPs are permitted to provide mobile services also, then unlimited number of players will be able to enter mobile services without even holding a valid mobile licence. Therefore, the Association is of the opinion that if FSPs want to provide any form of mobile services, they should do so by applying for the Fourth Mobile licence which has currently been recommended by the TRAI, otherwise bidding for the Fourth licence would be in jeopardy as the backdoor entry of FSPs into Cellular services would largely depress the business potential of cellular projects. NTP-99 allows the operators to use their facilities to deliver some services reserved for other operators. TRAI has clarified that with the acceptance of migration to NTP-99, the Cellular Mobile Service Operators (CMSOs) have agreed that their markets will no more be protected for them by the terms of their licences. It has been pointed out by the ABTO that several benefits such as use of Cellular services for providing fixed services, carnage of intra-circle long distance traffic, multiple points of interconnect, higher rentals on account of Calling Party Pays (CPP), charge for calling line identification, e-mail on phone, short messaging, internet etc., which have been envisaged neither in the licence of the CMSOs nor been permitted by the Regulator are being enjoyed by the Cellular Operators. Therefore, according to ABTO, if some new services arising out of technological innovations which are not permitted in the licence or for which the Cellular Operators are not paying anything extra, can be enjoyed by the CMSOs, they should not grudge if some benefits, which were not original envisaged in the BSO licences are accorded to them in the interest of the consumers. In view of the above conflicting interests, the Committee urges upon the Department to take every possible care in consultation with TRAI to see that advantages accorded to BSOs in the form of "limited mobility" should not act as deterrent to the expansion of cellular operations and

continuous review should be made of the effect of the decisions taken, consistent of course with the interest of the consumers and faster expansion of the telecom network at affordable tariff.

Action Taken by Government

TRAI had introduced revenue sharing arrangement for limited mobile services at par with fully mobile cellular services *vide* Telecommunication Interconnection (Charges) and Revenue Sharing Regulation (5/2001) dated 14th Dec. 2001 and effective from 31st Jan. 2002.

Further, new interconnection usage charge regime has been put into place from 1st May 2003 whereby revenue is shared in terms of origination, carriage and termination apart from Access Deficit Charge. Review of Interconnection Usage Charges including access deficit charge is a continuous process and TRAI has revised the amount of ADC with effect from 1st Feb. 2004 and 1st Feb. 2005.

Further, TRAI has allowed forbearance in respect of tariffs for Cellular/Limited Mobility. For Basic Services also tariffs are under forbearance except in rural areas.

[Ministry of Communications & Information Technology/ Department of Telecommunications O.M. No. 15-2/2000-BSII(Vol. III) dated 18th Oct. 2005]

Comments of the Committee

Please *see* Paragraph No. 9 of Chapter I

Recommendation (Paragraph No. 64)

The Committee observes that, as stated by the COAI, in the guidelines recently announced by the Government for introduction of fourth operator in cellular services, it has been clearly reiterated that any digital technology which can be used to offer mobile services will come within the purview of mobile licence and be subject to the terms and conditions as applicable in Access (CDMA) technology which will be used to offer limited mobility, is a digital technology and therefore, come under the purview of a mobile licence; if it is so, is not understandable how without a mobile licence BSOs will be able to offer mobility, even if a limited one. No doubt consumer interest should have all the priorities but no section of the operators should be provided special facilities at the expense of the other. The Committee is of the view that more in depth study should have been made, so that consistent with the interest of the consumers, no special or unusual decisions are taken which raise questions about providing level playing field to the operators.

Action Taken by Government

Limited Mobility has not acted as a deterrent to the expansion of the Cellular operations as consistent growth has been observed in the number of subscribers of Basic as well as Cellular Services.

Further, in Nov. 2003, Unified Access Service License regime was introduced whereby a service provider can provide fixed services, limited mobile services and fully mobile services under this license.

[Ministry of Communications & Information Technology/ Department of Telecommunications O.M. No. 15-2/2000-BSII(Vol. III) dated 18th Oct. 2005]

Comments of the Committee

Please *see* Paragraph No. 9 of Chapter I

Recommendation (Paragraph No. 65)

The Cellular Operators have pointed out that the Licence Agreement for BSOs provides for use of WLL, which does not permit mobility and therefore, the BSOs should not be permitted to offer mobility. The Committee is of the view that in view of the new technology when the WLL systems are capable of being used to provide mobility within a specified area using the same frequency spectrum at a much cheaper rate which will be for the benefit of the consumers, such technological development can not be ignored but use thereof should not create any controversy which may affect consumer interest.

Action Taken by Government

TDSAT has upheld the decision of the Department to allow limited mobility. The cellular operators had filed an appeal before Hon'ble Supreme Court which was dismissed as withdrawn.

Further, the Government has introduced Unified Access Service License regime in Nov. 2003 wherein a service provider can provide fixed services, limited mobile services and fully mobile services.

[Ministry of Communications & Information Technology/ Department of Telecommunications O.M. No. 15-2/2000-BSII(Vol. III) dated 18th Oct. 2005]

Comments of the Committee

Please *see* Paragraph No. 9 of Chapter I

Recommendation (Paragraph No. 66)

The COAI has alleged that provision of mobility in WLL CDMA utilizes much more spectrum, which is a scarce natural resource, per subscriber than the provision of Fixed Wireless Terminals (FWTs) and thus FSPs will use this scarce resource in a sub-optimal manner under the preferential fixed service licence terms. The ABTO, on the other hand, has stated that WLL CDMA technology uses the existing spectrum already available for BSOs for which spectrum charges are also being paid and hence does not encroach upon the spectrum allocated for Cellular mobile service which use Global System for Mobile (GSM) technology. On the spectrum scarcity issue, TRAI on its part,

has clarified that introduction of a service cannot be restrained only because in the initial stages the demand is likely to outstrip the supply. The Regulator has recommended that the frequency spectrum made available to both BSOs and CMOs should be very reasonably priced and the basis of such allotment and pricing should be the same for both the operators so as not to create a serious pressure on their revenues. In this context, the Committee is of the opinion that availability of frequency spectrum and the price at which it is available to the service provider is going to be the most critical factor in the growth of telecom services. The Committee would like that the Department should examine carefully the COAI's apprehensions of the sub-optimal use of the frequency spectrum by FSPs under the preferential fixed service licence terms and all other issues that have been or may be raised so that the interest of the consumers can be protected by reasoned decision and in a transparent manner.

Action Taken by Government

The issue of limited mobility has been settled with the dismissal of petition of Cellular Operators by Hon'ble Supreme Court as withdrawn.

The Government has introduced Unified Access Service License regime in Nov. 2003 wherein a service provider can provide fixed services, limited mobile services and fully mobile services.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 15-2/2000-BSII (Vol. III) dated 18th Oct. 2005]

Comments of the Committee

Please *see* Paragraph No. 9 of Chapter I

Recommendation (Paragraph No. 67)

The CMSOs have claimed that if they are provided with identical level of Licence Entry Fee and Annual Revenue Share, equitable cost-based and non-discriminatory interconnection access charges for CMSPs in line with as provided to FSPs, direct inter circle connectivity and direct connectivity to VSNL international gateways as mandated by NTP-99, they would be able to provide GSM Mobile services at a much cheaper rate to the consumers. Here, it may be mentioned that the CMSOs have stressed the point that they are willing to face competition but are concerned with the comparability of the two services, their pricing and the "preferential treatment" meted out to the BSOs. The Committee is of the view that this aspect should also be duly considered by DoT and TRAI, specially as there is a scope of providing level playing field to all classes of operators.

Action Taken by Government

The Government has introduced Unified Access Service License regime in Nov. 2003 wherein a service provider can provide fixed services, limited mobile services and fully mobile services.

Direct connectivity with International Long Distance Operators has been permitted to the Access Providers from 1st April 2002.

Revenue Sharing arrangements has also been revised in terms of origination, termination and access deficit charge from 1st May 2003.

The various Cellular Operators appealed in Supreme Court against the judgment of TDSAT upholding the decision of Government for allowing Limited Mobile services of Basic Service Operators which was dismissed as withdrawn in Jan. 2004.

[Ministry of Communications & Information Technology/ Department of Telecommunications O.M. No. 15-2/2000-BSII(Vol. III) dated 18th Oct. 2005]

Comments of the Committee

Please *see* Paragraph No. 9 of Chapter I

Recommendation (Paragraph No. 68)

In this context, the Committee observes that TRAI has recently recommended that revenue share as licence for the CMSOs may be prescribed at 12% of the Annual Revenue (previous it was 17%) which will be the same as prescribed for BSOs in Metros and category-A circles. It may seem that it provides CMSOs inadequate compensation for loss of market to “limited mobility” and consequential loss of revenue. In this respect, the Committee recommends that the concerns of CMSOs like equitable, cost-based and non-discriminatory inter-connection access charges etc., as mentioned above, should be considered and the decisions taken with reasons may be forwarded to the Committee in due course.

Action Taken by Government

TRAI has prescribed sharing of interconnection charges in terms of origination, carriage, termination and access deficit charge from 1st May 2003. The tariffs have been revised from time to time. At present termination charges for all cellular as well as basis services are same.

[Ministry of Communications and Information Technology/ Department of Telecommunications O.M. No. 15-2/2000-BSII(Vol. III) dated 18th Oct. 2005]

Comments of the Committee

Please *see* Paragraph No. 9 of Chapter I

Recommendation (Paragraph No. 69)

Subject to the above, the Committee is of the view that if the extent of mobility under the two systems i.e. GSM and CDMA is not identical and as long as there is noticeable difference in the scope of the two services and that the imbalance apprehended in the level playing field by the BSOs introducing the new service can be corrected by

making some necessary policy changes, provision of limited mobility through WLL may help faster roll out of the network, increase tele-density and greatly benefit the consumers provided the system, as envisaged, operates fairly in the interest of consumers.

Action Taken by Government

The Government has introduced Unified Access Service License regime in Nov. 2003 wherein a service provider can provide fixed services, limited mobile services and fully mobile services.

[Ministry of Communications & Information Technology/ Department of Telecommunications O.M. No. 15-2/2000-BSII(Vol. III) dated 18th Oct. 2005]

Comments of the Committee

Please *see* Paragraph No. 9 of Chapter I

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY
DEPARTMENT OF TELECOMMUNICATIONS
SANCHAR BHAWAN, 20 ASHOKA ROAD, NEW DELHI-110 001.

No.808-26/2003-VAS

Dated the 11th Nov., 2003.

SUB: GUIDELINES FOR UNIFIED ACCESS (BASIC & CELLULAR) SERVICES LICENCE.

Given the central aim of NTP-99 to ensure rapid expansion of teledensity; given the unprecedented expansion of telecom services that competition has brought about; given the steep reductions in tariffs that competition has ensured; given the fact that advances in technologies erase distinctions imposed by earlier licensing systems; given the fact that even more rapid advances in technologies are imminent; given the steep reduction in costs of providing telecom services; given the rapid convergence of tariffs for wireless services; given the fact that the provision of such services at the cheapest possible rates and by the most reliable mode is the *sine qua non* for India to consolidate its position as a leading hub of Communications systems, Information Technology, IT enabled services, and of establishing itself as a leader in new disciplines such as bioinformatics and biotechnology; given the recommendations of TRAI in this regard; Government, in the public interest in general and consumer interest in particular and for the proper conduct of telegraphs and telecommunications services, has decided to move towards a Unified Access Services Licensing regime. As a first step, as recommended by TRAI, Basic and Cellular services shall be unified within the service area. In pursuance of this decision, the following shall be the broad Guidelines for the Unified Access Services License.

- (i) The existing operators shall have an option to continue under the present licensing regime (with present terms & conditions) or migrate to new Unified Access Services Licence (UASL) in the existing service areas, with the existing allocated/ contracted spectrum.
- (ii) The license fee, service area, rollout obligations and performance bank guarantee under the Unified Access Services Licence will be the same as for Fourth Cellular Mobile Service Providers (CMSPs).
- (iii) The service providers migrating to Unified Access Services Licence will continue to provide wireless services in already allocated/contracted

spectrum and no additional spectrum will be allotted under the migration process for Unified Access Services Licence.

- (iv) In addition to services permissible under current licences, Cellular Mobile Service Providers (CMSPs) may also offer limited mobility facility existing within Short Distance Charging Area (SDCA) as permitted to Basic Service Providers at appropriate tariffs through concepts such as home-zone operations, etc.
- (v) The Unified Access service providers are free to use any technology without any restriction.
- (vi) No additional entry fee shall be charged from CMSPs for migration to UASL. For Basic Service Operators (BSOs), the entry fee for migration to the Unified Access Services Licence for a Service Area shall be equal to the entry fee paid by the Fourth Cellular Operator for that Service Area, or the entry fee paid by the BSO itself, whichever is higher. While applying for migration to UASL, the BSO will pay the difference between the said entry fee for UASL and the entry fee already paid by it.
- (vii) Notwithstanding anything stated in para (vi) above, no additional entry fee will be paid by the existing Basic Service Providers where no Fourth CMSP had bid despite repeated attempts.
- (viii) Those Basic Service Operators who do not wish to migrate to the full mobility regime, would only be required to pay the additional fee for Wireless in Local Loop (M), with mobility confined strictly within Short Distance Charging Area, as prescribed separately.
- (ix) Some of the Basic Service Licensees have provided following features/facilities to their subscribers:
 - (a) Over the air activation/authentication of the subscriber wireless access terminal outside one SDCA by pressing/punching certain keys/numbers such as *444N;
 - (b) Use of the same subscriber wireless access terminal in more than one SDCA;
 - (c) Multiple registration or temporary subscription facilities in more than one SDCA using the same subscriber terminal in wireless access systems.

In such cases of migration to Unified Access Services Licence, the Basic Service Licensees shall in addition to the Entry Fee based on the principles stated in para (vi) and (vii) above, pay till the date of payment from the date of their having signed the Basic Service Licence agreement, a penal interest @ 5% above Prime Lending Rate (PLR) of State Bank of India prevalent on the day the payment became due, *i.e.* the date they signed the Licence Agreement. The interest shall be compounded monthly and a part

of the month shall be reckoned as a full month for the purposes of calculation of interest.

- (x) The Service Areas for Unified Access Services Licence will be as per the existing Cellular Mobile Telephone Service Licences. BSO wishing to migrate to UASL will be permitted to operate in the service area in which it is already operating. It is, however, clarified that BSOs in Delhi, Haryana and UP (West) service areas, on migration to UASL, will have service area as that of CMSP in Delhi, Haryana and UP (West) service areas respectively. Since the service area for the Unified Access Service Licensees will be as per existing CMSPs, existing BSOs in Maharashtra, Tamil Nadu and West Bengal service areas will be required to hold two unified licenses (one for Mumbai Metro city and the other for the rest of Maharashtra and so on).
- (xi) The existing BSOs after migration to Unified Access Licensing Regime may offer full mobility; however, they will be required to offer limited mobility service also for such customers who so desire.
- (xii) A total of additional Entry Fee to be paid by existing Basic Service Operators in respect of each of its service area for migration to USAL is given at Annexure-I.
- (xiii) Request for migration to UASL shall be made in writing by the concerned service provider. The payment of additional Entry Fee and penal interest, if any, is to be made along with and not later than the date of such request in writing for migration to Unified Access Services Licence.
- (xiv) If on verification Department of Telecommunications comes to the conclusion that the entire amount due for migration to UASL has not been paid by the applicant, it shall be intimated to the applicant to pay the difference. The concerned applicant will be bound to pay the said difference in full within 3 working days from the date of receipt of the demand; failing this the application will be rejected and the amounts paid by the applicant, if any, shall be refunded within a period of 15 days from the date of receipt of the demand from DoT. However, no interest shall be payable by DoT for the amounts deposited for migration to UASL. While applying for migration to UASL the existing licensee shall also certify as hereunder:

“I have carefully read the guidelines for providing Unified Access Services Licence. I have complied and/ or agree to fully comply with the terms and conditions therein”.
- (xv) Consequent upon migration, the Licence will be termed as Unified Access Services Licence. The relevant applicable conditions of the existing licence

agreements will get modified to the extent of the conditions stated above. The amended Licence shall be set out in detail separately.

- (xvi) The LICENSOR reserves the right to modify these Guidelines or incorporate new Guidelines considered necessary in the interest of national security, public interest, consumer interest and for the proper conduct of telegraph/services.
- (xvii) With the issue of these Guidelines, all applications for new Access Services Licence shall be in the category of Unified Access Services Licence.

ANNEXURE II

Additional Entry fee to be paid by the existing Basic Service Operators for migration to Unified Access Service Licence.

S. No.	Name of the Operator	Service Area of BSO	Date of signing of licence agreements	Entry Fee paid by BSO (in Rs. Crores)	Entry Fee paid by 4th Cellular Operator (in Rs. Crores)	Additional Entry Fee to be paid for migration to UASL (in Rs. crores)
1	2	3	4	5	6	7
1.	Reliance Infocom Ltd.	Rajasthan	20.7.2001	20	32.25	12.25
		UP (East)	20.7.2001	15	45.25	30.25
		Maharashtra	20.7.2001		189+203.66*	
				115	392.66	277.66
		Karnataka	20.7.2001	35	206.83	171.83
		Punjab	20.7.2001	20	151.75	131.75
		AP	20.7.2001	35	103.01	68.01
		Haryana	20.7.2001	10	21.46	11.46
		Kerala	20.7.2001	20	40.54	20.54
		UP (West)	20.7.2001	15	30.55	15.55
		West Bengal	20.7.2001		0+78.01*	
				25	78.01	53.01
		MP	20.7.2001	20	17.4501	0
		Bihar	20.7.2001	10		
		H.P.	20.7.2001	2	1.1	0
		Orissa	20.7.2001	5		
		Tamil Nadu	26.9.2001		79+154*	
				50	233	183
		Delhi	20.7.2001	50	170.7	120.7
		A & N**	20.7.2001	1		0
2.	RTL	Gujarat	18.3.1997	179.0859030	109.01	0

1	2	3	4	5	6	7
3.	Tata Teleservices Ltd.	Gujarat	31.8.2001	40	109.01	69.01
		Karnataka	31.8.2001	35	206.83	171.83
		AP	4.11.1997	161.47(old)	103.01	0
		Tamil Nadu	31.8.2001		79+154*	
				50	233	183
		Delhi	31.8.2001	50	170.7	120.7
4.	TTL(Mah.)Ltd.	Maharashtra	31.8.2001		189+203.66*	-
				532.55(old)	392.66	0
5.	Bharti Telenet Ltd.	Karnataka	29.10.2001	35	206.33	171.83
		Haryana	8.10.2001	10	21.46	11.46
		MP	28.2.1997	35.33 (old)	17.4501	0
		Tamil Nadu	29.10.2001	50	79+154*	
					233	183
		Delhi	29.10.2001	50	170.7	120.7
6.	Shyam Telelink	Rajasthan	4.3.1998	29.29(old)	32.25	2.96
7.	HFCL Infotel Ltd.	Punjab	7.11.1997	177.59(old)	151.75	0

* For BSOs in MH, WB and TN the entry fee of fourth cellular MH+Mumbai, WB + Kolkata and TN + Chennai has been taken.

** Now A&N is a part of WB service area for cellular.

CHAPTER III

**RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE
DO NOT DESIRE TO PURSUE IN VIEW OF THE
REPLIES OF THE GOVERNMENT**

– NIL –

CHAPTER IV

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH THE
REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY
THE COMMITTEE AND WHICH REQUIRE REITERATION**

– NIL –

CHAPTER V

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF
WHICH THE REPLIES ARE OF INTERIM NATURE**

– NIL –

NEW DELHI;
8 *December, 2006*

17 *Agrahayana, 1928 (Saka)*

NIKHIL KUMAR,
Chairman,
Standing Committee on
Information Technology.

APPENDIX I

MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2006-2007)

The Committee sat on Wednesday, the 6th December, 2006 in Committee Room No., '62', Parliament House, New Delhi.

PRESENT

Shri Nikhil Kumar — *Chairman*

MEMBERS

Lok Sabha

2. Shri Nikhil Kumar Choudhary
3. Shri Sanjay Shamrao Dhotre
4. Shri Bhubaneshwar Prasad Mehta
5. Shri Lalmani Prasad
6. Shri Narahari Mahato

Rajya Sabha

7. Shri Vijay J. Darda
8. Shri Praveen Rashtrapal
9. Shri Motiur Rahman
10. Shri Eknath K. Thakur
11. Shri Shyam Benegal

SECRETARIAT

1. Shri P. Sreedharan — *Joint Secretary*
2. Shri Raj Shekhar Sharma — *Director*
3. Shri Cyril John — *Under Secretary*

WITNESS

Smt. Aruna Sundararajan — Chief Executive Officer
(Community Service Centre)
Infrastructure Leasing & Financial
Services Limited.

APPENDIX II

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE SEVENTEENTH REPORT (THIRTEENTH LOK SABHA)

[Vide Paragraph No. 5 of Introduction]

- (i) Recommendations/Observations which have been accepted by the Government :
Paragraph Nos.: 62 to 69
Total : 08
Percentage : 100%
- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government:
Paragraph Nos.: Nil
Total : Nil
Percentage : Nil
- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:
Paragraph Nos.: Nil
Total : Nil
Percentage : Nil
- (iv) Recommendations/Observations in respect of which replies are of interim nature :
Paragraph Nos.: Nil
Total : Nil
Percentage : Nil