

**GOVERNMENT OF INDIA  
COMMUNICATIONS AND INFORMATION TECHNOLOGY  
LOK SABHA**

UNSTARRED QUESTION NO:2667  
ANSWERED ON:28.07.2014  
INCREASE IN LICENCE FEE  
Thota Shri Narasimham

**Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:**

- (a) whether the Government has taken note of the comments of the Internet Services Providers Association of India that the decision to increase licence fee on internet services by the Government will adversely affect its target to increase broadband connections in the country;
- (b) if so, whether the Government is considering revising the proposed hike and if so, the details thereof;
- (c) whether the Telecom Regulatory Authority of India (TRAI) has allowed deduction of `pass through charges` from internet services; and
- (d) if so, the details thereof?

**Answer**

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY & LAW AND JUSTICE (SHRI RAVI SHANKAR PRASAD)

(a) & (b) Madam, TRAI had issued a consultation paper on "Definition of Adjusted Gross Revenue (AGR) in Licence Agreements for provision of Internet Services and Minimum Presumptive AGR" in December 2012 inviting the comments of the stakeholders. Internet Service Providers Association of India (ISPAI) has also submitted their comments to TRAI in response to the same wherein, inter-alia, they have raised the issue of impact of levy of license fee on pure internet and broadband services on the spread of internet.

Subsequently, TRAI has issued its recommendations dated 01.05.2014 on the subject to the Government. TRAI has recommended inclusion of all type of revenues from Internet services in the definition of AGR, for the purpose of calculation of licence fee for all categories of Internet Service Provider licenses. TRAI recommendations are under consideration.

(c) & (d) No, Madam. TRAI in its recommendations dated 01.05.2014 has recommended for allowing only those deductions available for pass through charges as in the case of access service, without any set-off for expenses.