

Department of Telecommunications

PRESS RELEASE

“Given the central aim of NTP 99 to ensure rapid expansion of tele-density” and the objective “to transform in a time bound manner, the telecommunications sector to a greater competitive environment in both urban and rural areas providing equal opportunities and level playing field for all players”, the recommendations of TRAI that there should be no cap on the number of access provider in any service area has been considered by the Government and has been accepted.

The Unified (Telecom) Access Services (UAS) licenses are technology neutral and the licensees are required to provide access services and meet the stipulated roll-out obligations using wireline and / or wireless technologies by utilizing network equipment that meets the prescribed standards. The allocation of radio-spectrum and grant of Wireless License shall be subject to availability. In case UAS Licensee is not allocated spectrum due to non-availability, the Licensee shall endeavor to roll out services using wireline technologies. It has also been decided that the roll out for wireless services shall be reckoned from the date of spectrum allocation. This will also apply to those licensees who are awaiting initial spectrum allotment.

TRAI had recommended to enhance the subscriber link criterion for allocation of frequency spectrum to UAS/CMTS licensees and to set up a committee to study further allocation of spectrum. Government has accepted the TRAI’s recommendation of enhanced subscriber linked criterion for frequency allocation and has set up a committee in Telecom Engineering Centre (TEC) to further study and give a report to the Government.

In order to further enhance the penetration of access services for rapid expansion of tele-density, it has also been decided that the existing private UAS Licensees may be permitted to expand their existing networks by using alternate wireless technology i.e. the present UAS Licensee who is using GSM technology for wireless access may be permitted to use CDMA technology and vice-versa. The spectrum for the alternate technology, CDMA or GSM (as the case may be) shall be allocated in the applicable frequency band subject to availability after payment of prescribed fee. Allocation of spectrum for the alternate technology may be done to private UAS Licensees on payment of prescribed fee, which will be an amount equal to the amount prescribed as entry fee for getting a new UAS licence in the same service area. The existing UAS Licensees, who have already applied for allocation of spectrum for the alternate technology shall also be considered for allocation of spectrum in alternate technology from the date of payment of prescribed fee. BSNL and MTNL being incumbent operators shall be permitted usage of alternative technology and allocated spectrum for the alternate technology without paying the prescribed fee. For the purpose of payment of licence fee and spectrum charges, the stream wise revenue of different technologies shall be considered.

At the time of further allotment of spectrum in any technology, allotment will be subject to the condition that in case the eligibility of the licensee for allocated spectrum in other technology falls below the criterion set for spectrum allotment in the specified technology for the last consecutive six months then corresponding chunk of spectrum in that technology will be surrendered by the licensee before any further allotment of spectrum is considered.

The Access Services providers shall endeavor to use more efficient methods and optimum technologies for spectrum utilization. In order to encourage Licensees to use all available methods for efficient spectrum utilization, the "Spectrum Enhancement Charge", in addition to annual spectrum charges based on revenue share, may be levied at the time of additional spectrum allotment to licensees beyond 10MHz for GSM and 5MHz for CDMA. For each additional 1 MHz or part thereof "Spectrum Enhancement Charge" @ Rs 16 Crore, 8 Crore, 3 Crore for Metro/ Category 'A', Category 'B', Category 'C' service areas respectively may be charged.

SACFA clearance should be given in a stipulated time frame of 60 days unless there are circumstances to the contrary.

For the Substantial equity holding in the UAS/CMTS Licensee Company, there is no change in the existing criterion.

For failure to meet roll out obligation within prescribed time schedule, the existing stipulation of termination of license under Clause 35.2 of UAS Licence Agreement shall continue. In addition, Performance Bank Guarantee (PBG) may also be forfeited and the service provider may be asked to resubmit PBG of the same amount. No additional spectrum may be allocated to licensees without fulfilling the roll out obligations. In case of spectrum auction, a Licensee, who has not met roll-out obligation against an existing licence, should not be eligible to participate in any spectrum auction till the roll out obligation is met. Any proposal for permission for merger shall not be entertained till the roll out obligation is met; however, request for permission for acquisition may be entertained. Roll out for each licensed service area is to be dealt separately. In case of violation of roll out conditions, government may consider termination of license in certain cases.

Self certification scheme for completion of roll-out obligation is already in place and shall continue. The authorized testing party of the Licensor shall issue the required test certificate of compliance within 120 days from the date of submission of self certificate which is correct and complete in all respect.

Merger & Acquisition guidelines will be issued separately.