

TELECOM REGULATORY AUTHORITY OF INDIA



E-Newsletter



MAY 2020



1. Recommendations

1.1 TRAI Releases Clarifications/Reconsideration of Recommendations on “Captive VSAT CUG Policy issues dated 18th July 2017” on 10th April 2020.

The Telecom Regulatory Authority of India (TRAI) had sent its recommendations on “**Captive VSAT CUG Policy issues**” on 18th July 2017 to the Department of Telecommunications (DoT). DoT vide its letter dated 17th March, 2016, referred back some of the recommendations for reconsidered opinion/recommendations.

2. After considering the views given by the DoT, the Authority has furnished its response to the Government on **10th April, 2020**. The salient recommendations after considering the back reference of DoT, are as below:

(i) The amount of initial Financial Bank Guarantee (FBG), which is submitted by the applicant company prior to signing of Captive VSAT CUG license, should be reduced from Rs. 30 Lakhs to Rs. 15 Lakhs. For subsequent years, it should be equivalent to the estimated sum payable equivalent to the license fee for two quarters.

(ii) The royalty charges should be limited to the charges only for the assigned frequencies. There is no justification for charging additional 25% amount as reuse factor for number of VSATs more than the number of carriers.

(iii) It has been recommended to create a Single Window procedure to cater to the requirements of applicant/ licensee companies for the entire processes that are involved in obtaining license, approvals/ clearances related to space segment, ground segment, etc. in respect of Captive VSAT CUG License.



https://traigov.in/sites/default/files/Recommendation_10042020.pdf

1.2 TRAI has issued a recommendation on Reserve Price for Auction of FM Radio channels dated 10th April 2020

The Ministry of Information and Broadcasting (MIB) sent a reference wherein it has requested TRAI to furnish recommendations on fresh reserve price for 283 cities (260 new + 23 existing), under FM phase-III Policy, considering various factors like inflation, indexation of reserve prices worked out in the year from 2011 to 2015.

The Authority has issued its recommendations on 10th April 2020. The salient features of the recommendations are as under:

- i. The valuation of FM radio channels in 273 new cities has been worked out as a simple mean of the three valuation approaches. The approaches are based on the following variables:
 - Population of the city
 - Per capita Gross State Domestic Products (GSDP)
 - Listenership of FM Radio
 - Per capita Gross Revenue earned by the existing FM Radio operators
 - Market Intensity Index of various cities
- ii. The reserve price for FM radio channels for each of the 273 new cities has been fixed at 80% of the valuation for each city except for the cities situated in North East (NE) region, Jammu and Kashmir for which reserve price has been fixed at 40% of the valuation for each city.

The rest details are available in the following link/QR code.



https://traf.gov.in/sites/default/files/Recommendation_FM_11042020.pdf

1.3 TRAI has issued a recommendation on “Interoperability of Set-Top Box” dated 10th April 2020

TRAI had *suo-motu* issued the Consultation paper on “Interoperability of Set-Top Box” on 11th November 2019. Based on the comments/inputs received from the stakeholders, discussion held during OHD and on its own analysis, TRAI has finalized its recommendations. Few of the salient features of the recommendations are:

- i. All Set-Top-Boxes in India must support technical interoperability in principle, i.e. every STB provided to a consumer must be interoperable.
- ii. Ministry of Information and Broadcasting may include a suitable clause/condition in the permission/ Registration/ Cable Television Network Rule mandating all the DPOs (DTH as well as MSOs) to compulsorily facilitate service provisioning through the interoperable STBs either provided by DPOs or procured by the consumers from open market.
- iii. There are technical and commercial constraints to the universal STB. Therefore, Interoperability of STBs, with effect from the date as prescribed vide the extant clause/ condition, shall be ensured within the DTH or cable segment. That is, the interoperability shall be applicable within the DTH segment and within the cable segment respectively.

The full recommendations are available in the following link/QR code.



https://tra.gov.in/sites/default/files/Recommendation_11042020.pdf

1.4 TRAI has issued a recommendation on “Review of Television Audience Measurement and Rating System in India” dated 28th April 2020

TRAI had *suo-motu* issued the Consultation paper on “Review of Television Audience Measurement and Rating System in India” on 3rd December 2019. Based on the comments/inputs received from the stakeholders, discussion held during OHD and on its own analysis, TRAI has finalized its recommendations. The salient features of the recommendations are:

- i. Structural reforms are required in BARC to mitigate the potential risk of conflict of interest, improve credibility, and bring transparency, and instill confidence of all stakeholders in the TRP measurement system.
- ii. The composition of BARC India should be changed as part of the proposed structural reforms. The Board should have at least fifty percent independent members, which should include one member as a measurement technology expert, one statistician of national repute from among the top institution(s) of the country and two representatives from the Government/Regulator.
- iii. Restructured Board of BARC India should provide for equal representation of the three constituent Industry Associations, namely; AAI, ISA and IBF and with equal voting rights irrespective of their proportion of equity holding. Tenure of the members of the board shall be for two years.

Full details of recommendations are available in the following link/QR code.

https://tra.gov.in/sites/default/files/Recommendation_28042020.pdf



1.5 Recommendations on ‘Network Testing Before Commercial Launch of Services for Wireline Access Services’- issued on 22nd April 2020

A reference was received from the Department of Telecommunications (DoT) vide its letter dated 16th July 2019 wherein it was communicated that the Government has accepted TRAI’s recommendations on ‘Network Testing Before Launch of Commercial Services’ dated 04th December 2017, and has further requested to provide similar recommendations on Network Testing before

commercial launch of Wireline Access Services as per clause 11(1)(a) of TRAI Act, 1997 as amended by TRAI Amendment Act, 2000.

2. In accordance with the reference received from DoT regarding Wireline Access Services, a consultation process was initiated to frame recommendations to decide the norms of network testing before commercial launch of Wireline Access Service. However, as most of the issues raised and examined during the consultation process for framing the recommendations on 'Network Testing Before Launch of Commercial Services' dated 04th December 2017, were equally applicable for Wireline Access Services; the Authority issued detailed draft recommendations on 'Network Testing Before Commercial Launch of Services for Wireline Access Services' on 31st December 2019 to seek inputs from the stakeholders on relevant issues.

3. Based on the comments/inputs received from the stakeholders and on its own analysis, TRAI has finalized its Recommendations on 'Network Testing Before Commercial Launch of Services for Wireline Access Services'. The full recommendations can be accessed from the following link



https://tra.gov.in/sites/default/files/Recommendations_22042020.pdf

2. Regulations

2.1 TRAI has issued The Telecommunication Interconnection Usage Charges (Sixteenth Amendment) Regulations, 2020:

Telecom Regulatory Authority of India (TRAI) issued "The Telecommunication Interconnection Usage Charges (Sixteenth Amendment) Regulations, 2020 (4 of 2020)" on 17.04.2020. Through these Regulations, the regime of fixed International Termination charges (ITC) @ Re.0.30 per minute has been revised to forbearance regime within a prescribed range of Re.0.35 per minute to Re.0.65 per minute. Further, to ensure the level playing field between standalone and integrated International Long-Distance Operators (ILDOS), it is mandated that an Access Service Provider shall offer the non-discriminatory rate of ITC to everyone i.e. to its own associated ILDO as well as to standalone ILDOs. These Regulations came into force from 01.05.2020.

3. Consultation Papers

3.1 TRAI releases Consultation Paper on “Methodology of applying Spectrum Usage Charges (SUC) under the weighted average method of SUC assessment, in cases of Spectrum Sharing” dated 22nd April 2020

DoT through its letter dated 15th January 2020, inter-alia, informed that the existing guidelines for Sharing of Access Spectrum by Access Service Providers issued by DoT on 24th September 2015 provides that the SUC rate of each of the licensees post sharing increases by 0.5% of Adjusted Gross Revenue (AGR). DoT also informed that it has received representations requesting that the incremental SUC rate of 0.5% post sharing should be applied only to the particular spectrum band which has been allowed to be shared between two licensees, and not on the entire spectrum held by the licensees, since sharing is permitted in a particular band. In this background, DoT requested TRAI to furnish its recommendations on (i) whether the incremental 0.5% in SUC rate in cases of sharing of spectrum should be applied only on the specific band in which sharing is taking place; or to the overall Weighted Average Rate of SUC, which has been derived from all bands and (ii) any other recommendations deemed fit for the purpose, under TRAI Act 1997, as amended.

In this regard, a Consultation Paper on “**Methodology of applying Spectrum Usage Charges (SUC) under the weighted average method of SUC assessment, in cases of Spectrum Sharing**” was released on **22nd April 2020** seeking comments/counter comments from the stakeholders on the issues raised in the Consultation Paper.

3.2 TRAI has issued a consultation paper on “Framework for Technical Compliance of Conditional Access System (CAS) and Subscriber Management Systems (SMS) for Broadcasting & Cable Services” on 22nd April 2020

This Consultation Paper is issued to solicit the comments/views of all stakeholders on the issues related to Technical Compliance of Conditional Access System (CAS) and Subscriber Management Systems (SMS) for Broadcasting & Cable Services, so that proper regulatory framework can be put in place.

The Stakeholders’ comments were solicited.

Full details of the Directions/Orders/Consultation Paper/Report, Subscription Data, etc mentioned in this newsletter are available on TRAI website

www.traigov.in

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