



26th March 2012

Mr. Rajkumar Upadhyay,
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Mahanagar Doorsanchar Bhawan
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Subject: Tata Teleservices Response to TRAI Consultation Paper No 06/2012 on “Amendment in the ISP Licence agreement for incorporating the terms and conditions mentioned in Notice Inviting Applications (NIA) dated 25.02.2010 for use of Broadband Wireless Access (BWA) spectrum.” dated 15th March 2012.

Dear Sir,

With reference to your Consultation Paper dated 15th March 2012 on ‘Amendment in the ISP Licence agreement for incorporating the terms and conditions mentioned in Notice Inviting Applications (NIA) dated 25.02.2010 for use of Broadband Wireless Access (BWA) spectrum’ seeking comments of the stakeholders, TTL proposes that the ISP licence agreement be amended to incorporate the terms and conditions mentioned in Notice Inviting Applications (NIA) dated 25.02.2010 for use of Broadband Wireless Access (BWA) spectrum as follows:

In pursuance of Condition 7 of the ISP licence agreement (s), Clause 4.6 of the Notice Inviting Application (NIA) for “Auction of 3G and BWA Spectrum” vide P-11014/13/2008-PP dated 25.02.2010, WPC Wing’s Letter of Intent (LoI) Nodated..... and on the request of the licensee vide letter No.....dated....., the LICENSOR hereby insert following Condition.....(clause No) in the ISP licence agreement (s) for theservice area (s) with effect from.....:

[clause No] Use of BWA Spectrum: The licensee is also authorized to use the BWA spectrum block (as earmarked in the above said Letter of Intent) for provisioning of Internet Access Service as defined in the “Scope of the Licence” in the Scheduled Condition 2 of the ISP Licence Agreement from the date of award of right to commercially use the BWA spectrum i.e.....till the validity of ISP licence agreement or for a period of 20 years from....., whichever is earlier, subject to the compliance of following condition:

- (i) **Validity period for BWA Spectrum:** The licensee is authorized to use this spectrum for a period of 20 years from the date of award of right to commercially use the allocated BWA spectrum block i.e.for the operation of Internet Access Service as defined in the “Scope of Licence” in clause 2 of the ISP



Licence agreement, subject to the condition of validity of the ISP licence agreement. In case the ISP licence agreement is cancelled/terminated/revoked/surrendered for any reason, the spectrum usage rights shall stand withdrawn forthwith. If the validity period of the ISP licence agreement expires before the expiry of the right to use the BWA Spectrum for 20 years, awarded by means of the said Auction, then the validity of the ISP licence for operation of Internet Access Service by using the said BWA spectrum only, shall be extended to make it coterminous with the validity of the right to use the BWA spectrum, without any charges and in such a manner the Licensor deems fit. The ISP licence, if applicable, shall be extended for 5 years at a time for a period extending up to 20 years, from the Effective Date on existing terms. The extension shall be done on the application of the licensee made 3 months in advance of expiry of the validity period of the ISP licence. This does not include authorization or extension of period of validity of the ISP licence for providing Internet Access Service using spectrum allocated under the ISP licence.

(ii) **Roll-out obligations for BWA Spectrum:** The licensee shall ensure compliance of following network roll-out obligation for BWA Spectrum for respective category of the licences service areas(s)

- **Applicable for Metro service area licence(s):** The licensee to whom the BWA spectrum is assigned shall be required to provide required street level coverage using the BWA Spectrum in at least 90% of the service area within five years of the Effective Date.
- **Applicable for Category A, B and C service area licence(s):** The licensee to whom the spectrum is assigned shall ensure that at least 50% of the rural SDCAs are covered within five years of the Effective Date using the BWA Spectrum. Coverage of a rural SDCA would mean that at least 90% of the area bounded by the municipal/ local body limits should get the required street level coverage.

The Effective Date shall be the later of the date when the right to use awarded spectrum commercially commences i.e. If the licensee does not achieve its roll out obligations, its spectrum assignment shall be withdrawn.

(iii) **Licence Fee for BWA Spectrum:** Over and above the "Licence Fees" payable by the licensee as per condition 17.2 of the ISP licence agreement, the licensee shall also pay the annual licence fee as share of Adjusted Gross revenue (AGR) from the services using BWA spectrum as rates mentioned in condition 17.2 of the ISP licence agreement. All the conditions contained in Part III Financial Conditions of ISP licence agreement will continue to be applicable to the licensees as amended by Government from time to time.

(iv) **Spectrum Usage Charges:** Notwithstanding anything contained in 17.3 of Part III of the scheduled of this licence agreement, the Licensees using BWA



Spectrum need to pay 1% of AGR from services using this spectrum as annual spectrum charge. Such revenue would be required to be reported separately.

- (v) **Merger of BWA spectrum blocks:** Unless otherwise notified by the licensor in due course, if two or more licensees holding BWA spectrum block in a service area merge, then they shall be allowed to retain only one BWA spectrum block and shall surrender the remaining BWA spectrum block in that service area.
- (vi) **Breach, revocation and surrender for BWA spectrum:** The BWA spectrum assignment may be revoked, withdrawn, varied or surrendered in accordance with applicable licence conditions or any other applicable laws, rules, regulations or other statutory provisions. The BWA spectrum assignment may also be revoked if the licensor determines the user of the spectrum to be in serious breach of any of the conditions of the award of the spectrum (including adherence to the Auction Rules) and the consequent obligations. In case of less serious breaches, the licensor may impose penalties at its discretion. Seriousness of the breach shall be determined by the licensor at its sole discretion. The licensee may surrender the BWA spectrum, by giving notice of at least 60 calendar days in advance. In that case, it shall also notify all its customers of consequential withdrawal of service by giving 30 calendar days notice to each of them. The licensee shall pay all fees payable by it until the date on which the surrender of the BWA spectrum becomes effective. The effective date of surrender of the spectrum shall be the later of the dates of expiry of the two notices mentioned in this clause. If at any stage, the spectrum allocation is revoked, withdrawn, varied or surrendered, no refund will be made.
- (vii) **Applicability of the NIA for BWA Spectrum:** The amendment of ISP licence agreement is subject to all the terms & conditions of the Notice Inviting Application (NIA) for "Auction of 3G and BWA Spectrum" vide No P-11014/13/2008-PP dated 25.02.2010. The licensee shall comply with all the terms and conditions of the above said Notice Inviting Application (NIA) unless and otherwise amended by the licensor by way of amendment ISP licence agreement from time to time.
- (viii) All other terms and condition of the ISP licence agreement including amendments and instructions issued from time to time shall remain unchanged.
- (ix) In the Format of Statement of Revenue and Licence Fee, the following parameter related to BWA revenue to be included after column C.



Sl. No.	Particulars	Actuals For The Previous Quarter	Actuals For The Current Quarter	Cumulative Upto The Current Quarter.
D	Revenue from BWA Services:			
D 1.	Post paid options:			
i.	Rentals			
ii	Activation Charges			
iii.	Airtime Revenue			
iv.	Pass through charges (provide operator-wise details)			
v.	Service Tax			
vi.	Roaming charges			
vii	Service charges			
viii.	Charges on account of any other value added services. Supplementary Services etc.			
ix.	Any other income/ miscellaneous receipt from post paid options.			
D2.	Pre-paid options:			
i.	Sale of pre-paid options including full value of all components charged therein.			
ii.	Any other income/ miscellaneous receipt from pre-paid options.			

This is for your information and records please.

Thanking you and assuring you of our best attention always.

Yours sincerely,

Anand Dalal
Senior Vice President – Corporate Regulatory Affairs
Tata Teleservices Limited
and
Authorized Signatory
Tata Teleservices (Maharashtra) limited