

TELECOM REGULATORY AUTHORITY OF INDIA

D.O.No. CP/4-13// F No. 102-6/2000 - TRAI (MN)
June 7, 2002

Dear Shri Vaish,

In its wide interaction with various stakeholders, suggestions were made to TRAI that Receive only VSATs can provide a useful means to spread services such as Tele-education, Tele-Medicine, Information (newspaper on-line) and social education to the remote areas in the country. Accordingly, under Section 11 (1) (a) of TRAI Act 1997 (as amended in 2000), the Authority has examined the issue and has decided to provide its recommendations suo-motu to the government on 'Receive only VSAT' Service. A detailed note containing our recommendations is enclosed.

While making these recommendations on 'Receive only VSATs', the Authority discussed the feasibility of providing these services within the ambit of the existing VSAT license. Though the existing VSAT license permits 'Receive only VSATs', the levy of identical entry fees and license fees is likely to be disadvantageous for service providers who want to provide only these services. Further, the natures of market segments that these two services intend to serve are also different. While VSAT service is a CUG application primarily serving corporate segments for internal communication, 'Receive only VSAT' is targeted for information and education based services. Accordingly, in our opinion a separate category of license by the name 'Receive only VSAT license' may be issued with an entry fees of Rs 5 lakhs and an annual revenue share of 5% of the Adjusted Gross Revenue (including Universal Service Levy). It is desirable to keep the entry fee and annual revenue share at low level so as to encourage these services, which can play an important role in bridging the digital divide.

The main objective of 'Receive only VSAT' services being sharing of information, these would primarily need connectivity to standalone information servers. Connectivity to Internet may also be considered on a case-to-case basis.

In this context we would like to make the point that in our view licenses for services such as 'Receive only VSATs' should be given freely. Actually licensing of such activities could be done best by way of class licenses, instead of by individual licenses as is being done in most other cases. This approach will help in introducing administrative simplicity and encourage quicker roll out of these services. A class license establishes a set of general conditions, which are widely publicised among the class of service providers / companies concerned. Any service provider / company may participate in the activities under the class license provided that they comply with the terms and conditions in this category of license.

In our view services such as 'Receive only VSATs' have great potential to open new vistas of innovation in information sharing and spread of education and facilitate the efforts of the government in bridging the Digital Divide.

Best Regards,

Yours Sincerely,

(M.S. Verma)

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