

Ref. No. SIA-India/TRAI CP16/2024

Dated 19th November 2024

To

Shri Akhilesh Kumar Trivedi
Advisor (Networks, Spectrum and Licensing)
TRAI, Tower F, NBCC World Trade Centre,
Nauroji Nagar, New Delhi-110029

Subject: SIA-India Comments to TRAI Consultation Paper No. 16/2024 dated 22-10-2024 on the Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023

Dear Sir,

The Satcom Industry Association (SIA-India) is a non-profit organisation formed to represent the interests of the satellite industry at large ensuring that the industry benefits from the appropriate political, industrial and regulatory environment to fulfil their vital role in the efficient and ubiquitous delivery of communication services in India. Satellites are an established and important technology for delivering telecommunications, broadband and media services and support economic development, social objectives, and national, regional and regional integration.

As regards TRAI Consultation Paper No. 16/2024 dated 22-10-2024 on the Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023, SIA-India comments are appended at Annexure-1.

We are confident that due considerations will be given to our comments and TRAI recommendations to this consultation will ensure long-term stability to sustain and augment the satellite ecosystem in the country as well as have a major influence on the capabilities of the Indian space industry to meet its growth objectives and contribute significantly to accrue socio-economic benefits.

Yours sincerely,



Anil Prakash
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Enclosed as above

SIA-India Comments to TRAI Consultation Paper No. 16/2024 dated 22-10-2024 on the Terms and Conditions of Network Authorisations to be Granted Under the Telecommunications Act, 2023

SIA-India is a non-profit organisation established with the objective of serving and promoting the common interests of the satellite communication ecosystem in India.

As a trade association, we strongly articulate the need for certainty in the satellite industry, which is absolutely vital to attract investments and ensure continued development of existing and new satellite capabilities to benefit country at large and the Indian society in particular.

With this in mind, the SIA-India is pleased to provide comments to this CP as under:

Q7. Whether there is a need to make any changes in the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of the Satellite Earth Station Gateway (SESG) authorisation, as recommended by TRAI on 29.11.2022? If yes, what changes should be made in the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of the SESG authorisation? Kindly provide a detailed response with justification.

SIA-India Comments:

At the outset, we support TRAI Recommendations on Licensing Framework for Establishing and Operating Satellite Earth Station Gateway (SESG) dated 29th November 2022, as these Recommendations are the culmination of the consultation process across the spectrum of stakeholders and are mostly aligned globally. The terms and conditions are generally fit for the intended purposes and have worked well to date to the satisfaction of the stakeholders.

We also support the continuance of a separate Satellite Earth Station Gateway (SESG) Authorization (instead of licence) under the current Telecommunications Act, 2023.

As envisaged in the TRAI Recommendations, the SESG Authorization should not form part of the Unified License (UL).

Presently, a satellite operator could not sell its services/capacity to another Service Licensee directly and can do only through a Virtual Network Operator (VNO) regime. In reality, multiple Service Licensees may like to serve their customers (B2C and B2B), by providing customized services, through a single satellite (GSO or NGSO)

systems). This can be enabled by permitting a satellite operator to obtain the SESG authorization and provide services/capacity directly to multiple Service Licensees who can be treated as a Network Service Operator (**NSO**) and can further resell, if required, to another VNO. Hence, TRAI may consider these aspects and recommend appropriate terms and conditions to facilitate such a course, which will provide greater flexibility to serve customers (B2B or B2C).

It is to be noted that besides the Telecommunications Act, 2023, Government of India, has unveiled number of reform measures to boost the satellite sectors as under:

- i. The vision and strategies envisaged in the Indian Space Policy 2023.
- ii. The amendment in Foreign Direct Investment (FDI) policy on space sector in Feb 2024 to enhance Ease of Doing Business in the country.
- iii. The Norms, Guidelines and Procedures for implementation of the Indian Space Policy 2023 in respect of Authorization of Space Activities (NGP) by IN-SPACe in May 2024.

As these reforms have been unveiled by the Government only after understanding space industry's needs and growth opportunities, the essential elements in the above reforms aimed at propelling the budding space industry to new heights to achieve socio-economic benefits may be assimilated into the authorization to eliminate unnecessary hurdles to the industry.

Q8. Whether there is a need to introduce a new authorisation for establishing, operating, maintaining or expanding satellite communication network, which may be used to provide network as a service to the entities authorised under Section 3(1)(a) of the Telecommunications Act, 2023? If yes-

- (a) What should be the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of such authorisation?
- (b) Whether an entity holding such authorisation should be made eligible for the assignment of spectrum for both feeder link as well as user link?

Kindly provide a detailed response with justification.

SIA-India Comments:

SIA-India is of the view that there is no need to introduce any such new authorization. Beside not being aligned with international practices and introducing an additional degree of complexity, it would be redundant. In fact, both the space and ground segment of the network will already be covered by other licenses.

Q9. Whether there is a need to introduce an authorisation under Section 3(1) of the Telecommunications Act, 2023 for establishing, operating, maintaining or expanding ground stations, which may be used to provide ground station as a service (GSaaS)? If yes, what should be the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) for the authorisation to establish, operate, maintain, or expand ground stations, which may be used to provide GSaaS? Kindly provide a detailed response with justifications.

SIA-India Comments:

Ground station as a service (GSaaS) is mainly for data collection purposes. Building a vast net of ground stations involves huge capital and as a result of the high upfront investment sustaining the services may not be economically viable.

In such a scenario, since IN-SPACe is regulating GSaaS, a separate authorization is considered redundant and not necessary. The requirement may be considered under the ambit of new authorization regime under consideration for satellite services.

Q13. What provisions should be included in the terms and conditions of various network authorisations under Section 3(1)(b) of the Telecommunications Act, 2023 considering the policy/ Act in the Space Sector and other relevant policies/ Acts in the related sectors? Kindly provide a detailed response with justifications.

SIA-India Comments:

Our comments to Q7 refers.

Q14. What should be the terms and conditions for the merger, demerger, acquisition, or other forms of restructuring of the entities holding network authorisations under Section 3(1)(b) of the Telecommunications Act, 2023? Please provide a detailed response with justifications in respect of each network authorisation.

SIA-India Comments:

The process of merger, demerger, acquisition, or other forms of restructuring of the entities holding network authorisations may be considered based on the extant rules in India, which should broadly avoid unnecessary litigations and prolonged stalemate in the business operations.

The process should be appropriately addressed in the authorization, which should be based on common agreements between the two parties involved.

Based on TRAI Recommendations on Reforming the Guidelines for Transfer/Merger of Telecom Licenses 21st February 2020 may be referred to bring an acceptable and litigation avoidable clause in the authorization regime.

Q15. What conditions should be made applicable for the migration of existing network licenses, registrations etc. to the new network authorisation regime under Section 3(1)(b) of the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

SIA-India Comments:

We are of the opinion that the existing licences, registrations etc in the old licensing regime should be surrendered by the valid licence holders and brought under the new network Authorization regime under Telecommunications Act 2023 without involving any costs (i.e. free of cost) to the existing licence holder, as the exercise is an administrative commitment evolved on account of the new Act.

In case any relaxations in relations to fee and terms and conditions is considered in the new authorization regime, the same should be extended to the old licensing regime as well including refunds in relation to fee, Bank Guarantee etc., if any.

The migration process should not unnecessarily result in the disruption of businesses of existing licences under old regime.

TRAI recommendations, being framed through this consultation process, should include the terms and conditions for such migration/change of existing licenses in the new regime.

Q16. What procedure should be followed for the migration of existing network licenses, registrations etc. to the new network authorisation regime under Section 3(1)(b) of the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

SIA-India Comments:

Please refer our comments to Q 15 above.

Q17. Whether there is a need to introduce certain new authorisations (other than the authorisations discussed above) to establish, operate, maintain or expand telecommunication networks under Section 3(1)(b) of the Telecommunications Act, 2023? If yes, -

- (a) For which type of telecommunication networks, new authorisations should be introduced?
- (b) What should be the eligibility conditions, area of operation, validity period of authorisation, scope, and terms & conditions (general, technical, operational, security etc.) of such authorisations?

Kindly provide a detailed response with justifications.

SIA-India Comments:

There is no need for such new authorizations, as it will create confusion. On the contrary, all the authorization requirements (even any due to new situation) should be brought under the ambit of the existing provisions.

Q19. Whether there is a need to club the scopes of certain authorisations to establish, operate, maintain or expand telecommunication networks into a single network authorisation under Section 3(1)(b) of the Telecommunications Act, 2023 for bringing more efficiency in the telecommunication networks? If yes, kindly provide a detailed response with justifications.

SIA-India Comments:

In response to TRAI Consultation Paper No. 7/2024 on the Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023, SIA-India and majority (more than 95%) of respondents commented that GMPCS and Commercial CUG VSAT Authorizations should not be merged/clubbed, since the scope of both authorizations is entirely distinct.

Contrary to the majority view, we are surprised to note that TRAI has recommended that the scope of the extant GMPCS service authorization and Commercial VSAT CUG Service authorization should be merged into a single authorisation namely Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023.

Since the scope of GMPCS and Commercial CUG VSAT Authorizations is entirely distinct, we again reiterate that both the licences should not be clubbed/merged. We rather suggest that the scope of the authorizations may be amended in a way that GMPCS addresses MSS and VSAT addresses FSS.

Furthermore, the CUG condition associated with VSAT is no longer relevant, as this does not resemble today's satellite systems. However, Backhauls, ESIMs, Land Mobility, M2M/IOT and IFMC services that are presently allowed under the VSAT authorization should continue. It is to be noted that VSAT can also provide backhaul for aggregation of IOT devices, but cannot provide direct connectivity to IOT devices, because the connectivity to IOT devices will fall under the scope of GMPCS.

The services provided under the VSAT authorization should be categorized as public and non-captive services. These recommendations, if applied, will ensure that there is alignment with international practices and would also eliminate the need for possible duplicate authorizations that satellite service providers may need to pursue today.

We also suggest that a licensee after obtaining the VSAT authorization should be able to provide internet to its customers without having the need to obtain an ISP authorization. This will simplify the service authorization framework, place the authorization holders on an even footing, and align with international practices for VSAT services.

It is also prudent that a licensee after obtaining the VSAT authorization should be able to provide internet to its customers without having the need to obtain a ISP authorization. This will simplify the service authorization framework, place the authorization holders on an even footing, and align with international practices for VSAT services.

We strongly recommend the removal of mandatory compliance requirements currently set out for Internet Leased Lines (ILL) on VSAT authorization such as routine inspection of customer sites for the ILL service. Such requirements uniformly apply to VSATs providing internet as well. Instead, we strongly recommend for a self-regulatory mechanism in line with Para-5 of the DoT Guidelines for Other Service Providers (OSPs). This will reduce the operational burden for both consumers and VSAT service providers.

In view of the above, we appeal that TRAI should revisit its recommendation and consider not club/merge both GMPCS service authorization and Commercial VSAT CUG Service authorization and maintain the status quo.

Q20. What provisions should be included in the terms and conditions of various network authorisations under Section 3(1)(b) of the Telecommunications Act, 2023 to improve the ease of doing business?

Kindly provide a detailed response with justifications.

SIA-India comments:

By concurring with only one of the stakeholders, TRAI Recommendations on the Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023 dated 18 September 2024 has favoured a single authorization for providing various kinds of satellite-based telecommunication services. On the contrary, all other stakeholders (majority) including SIA-India responded that

GMPCS and Commercial CUG VSAT Authorizations should not be merged/clubbed. In our considered view, rather this would provide flexibility to the industry and facilitate ease of doing business.

Since the scope of both GMPCS and Commercial CUG VSAT Authorizations is entirely distinct, we reiterate that these authorizations should not be clubbed. This would rather help in ease of doing business clearly spelling out the roles of each entity.

TRAI recommendations on ease of doing business in Telecom and Broadcasting Sector (including satcom) New Delhi, India dated 2nd May 2023 may also be relevant. Accordingly, we hope that proposed TRAI recommendations after this consultation process would streamline the procedures and requirements in line with the intent of the new Telecom Act 2023. and also revisit and consider granting both GMPCS and CUG VSAT authorizations as explained in our comments to Q-19 above

Q23. In case it is decided for merging the scopes of the extant Infrastructure Provider-I (IP-I) and the Digital Connectivity Infrastructure Provider (DCIP) authorization into a single authorization under the Section 3(1)(b) of the Telecommunications Act, 2023, what should be the: -

- (a) Minimum equity and net worth of the Authorised entity.
- (b) Amount of application processing fees
- (c) Amount of entry fees
- (d) Any other Fees/Charge

Please support your response with proper justification.

SIA-India Comments:

TRAI recommendations on Satellite Earth Station Gateway (SESG) License should be implemented, as this will open new business opportunities for SATCOM. Since the TRAI recommendations was very recent one (August 2023) and was arrived based on wide consultation. There is no need to revisit them at this juncture and would suffice.

Q27. Whether there is a need to change/ modify any of the financial conditions of the Satellite Earth Station Gateway (SESG) authorization from those recommended by TRAI on 29.11.2022? If yes, please provide a detailed response with justification(s).

SIA- India Comments:

TRAI has already elaborately spelt out the financial related conditions such as Entry Fee, PBG, Equity, Net worth etc. under TRAI Recommendations (SESG) dated 29.11.2022 and also under Recommendations on the Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023 dated 18th September 2024. Clarity is now required on which financial conditions are under considerations.

Further, the recommendations, which are being made after this consultation, should ensure that all terms and conditions including financial conditions are final and rational and should not be at variance with any of the relevant previous TRAI recommendations and other rules, policies, regulations unveiled as reform measures during the last couple of years.

However, in our opinion all the fees including Entry Fee are on higher sides. This may favour well-established players in the market but it would definitely deter smaller or new players and limit the opportunities.

High entry fees may favour established players, limiting opportunities for smaller or new entrants, especially in the satcom sector. Hence, TRAI should revisit and review to bring down fees to an optimum level, which will encourage the space industry to expand and grow.

Q28. In case it is decided to introduce a new authorisation for establishing, operating, maintaining or expanding satellite communication network under Section 3(1)(b) of the Telecommunications Act, 2023, then, what should be the financial conditions for such authorisation?

SIA-India Comments:

Please refer our comments to Q-27 above.

Q29. In case it is decided to introduce an authorisation under Section 3(1) of the Telecommunications Act, 2023 for establishing, operating, maintaining or expanding ground stations, which may be used to provide Ground Station as a Service (GSaaS), then:

- (a) Whether there is a need to have financial conditions associated with such an authorisation?
- (b) In case your response to the above is in the affirmative, then what should be financial conditions for such an authorisation?

Please provide detailed response with justification.

SIA-India Comments:

In our response to Q-9 above, we have expressed our preference to not to bring Ground station as a service (GSaaS) into separate authorization regime and hence can be regulated through the regime under consideration.

Q33. What financial conditions should be made applicable for the migration of the existing licensees/ registration holders to the relevant new authorisations under section 3(1) (b) of the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

SIA-India Comments:

The existing licensees/registration holders are not migrating on their own volition rather are compelled to do due to repealing the old Act and enacting a new Act, which is prerogative of Government and purely an administrative and procedural arrangement. Financial conditions already applied to the licences are to be duly respected. If at all any cogent conditions arisen out of the new Act, those conditions can be applied during migration. However, it should be at variance with any of the new financial conditions being finalized and recommended TRAI out of this consultation process.

Q37. Whether there are any other issues/ suggestions relevant to the fees and charges? The same may be submitted with proper explanation and justification.

SIA-India Comments:

We are of the opinion that the fees and charges are arrived in a fair and equitable manner to cover the administrative costs and costs of regulation and adopt simpler tariff regime with minimum burden on stakeholders. Furthermore, the tariff regime should reflect market developments and consistency across the sectors.

More importantly, it should be kept in kind that smaller operators/new entrants are encourage to pay optimum charges/fees than larger established players especially in the budding space sector. This will encourage smaller operators and start-ups to invest confidentially and contribute significantly in the growth of the economy.

As regards spectrum charges/fees for various satellite-based services, it is prudent to levy "on a percentage of Adjusted Gross Revenue (AGR) basis". This is in consistent with TRAI's earlier Recommendations. It may be recalled that TRAI Recommendations in 2005, 2017, 2020, and 2021 issued from time-to-time on

different occasions on related matter to make the Spectrum Usage Charge (SUC) as 1% of AGR for the commercial CUG VSAT, irrespective of the data rate.

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