Background

- **Before sector reform,**
  - In the era of government-owned telecommunication networks, most countries had an integrated monopoly operator offering different services with what in effect amounted to a single license.

- **Today, following the introduction of sector reform and licenses for specific services**
  - Governments and regulators seek to implement similar licensing rights, but in a competitive telecommunication market whose scope has expanded substantially and will continue to do so

_Same technological and market forces that are driving market liberalization are also now leading policy-makers to recognize the changes brought on by convergence_
Convergence is simultaneously a technological, market and regulatory trend.

Impact of convergence on licensing Practices

- Recognizing the need for Flexibility
- Adopting a new licensing framework
  - Competition
  - Licensing and non-licensing issues
  - Scarce resources
Converged licensing options

• Technology Neutral licensing
  – Licensee retains the ability to choose which technology and equipment
    it will use to provide the licensed service
  – Provides a fair and predictable regulatory regime flexible enough to
    embrace technological and market developments.
  – Many countries -- including Australia, Bangladesh, the EU member
    states, India, Jamaica, and Malaysia -- have adopted technology-neutral
    licensing regimes.

• Service Neutral licensing
  – Effectiveness of technology-neutral licensing approaches can be
    limited, not only by spectrum allocation practices but also by licences
    that require operators to offer specific services.
  – Service neutrality empowers operators to offer a variety of different
    services and applications, tailored to fluctuations in market demand.
  – Many countries -- including Australia, EU, Japan, Singapore and
    Malaysia -- have adopted service-neutral licensing regimes.

Forms of Converged licensing

<table>
<thead>
<tr>
<th>Country</th>
<th>Licensing Regime</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>Carrier licence and carriage service providers</td>
</tr>
<tr>
<td>European Union</td>
<td>General authorisation regime</td>
</tr>
<tr>
<td>India</td>
<td>Unified licensing</td>
</tr>
<tr>
<td>Japan</td>
<td>Simple registration/ notification</td>
</tr>
<tr>
<td>Kenya, Malaysia, Mauritius,</td>
<td>Converged licensing regime</td>
</tr>
<tr>
<td>Tanzania</td>
<td></td>
</tr>
<tr>
<td>Mali, Uganda</td>
<td>Converged licence for National Operators</td>
</tr>
<tr>
<td>Singapore</td>
<td>Facility-based and service-based licensing</td>
</tr>
</tbody>
</table>
Converged licensing objectives

- Encourage the growth of new applications and services.
- Simplify existing licensing procedures to ease market entry and operations.
- Create a set of stand-alone regulations so that issues such as interconnection, quality of service, universal access/service, and spectrum and number allocations can be addressed comprehensively.
- Ensure regulatory flexibility to address market and technological developments.
- Ensure efficient utilization of network resources, so that individual networks may be used to provide a broad range of ICT services.
- Encourage market entry by a full range of operators, including large scale and micro entrepreneurs.
- Ensure that the transition to a converged licensing regime fosters a level playing field among all competitors.

Unified Licensing in India

- Based on TRAI recommendations Government decided to implement Unified Licensing on 11.11.2003

- Unified Licensing to be implemented in two steps:
  - First Unified Access Services License which has already been implemented.
  - Unified Licensing for all Telecom Services including Broadcasting services, to be implemented through a consultative process
    - Three consultation papers and several consultation meetings.
Unified Licensing Regime -
Salient features of TRAI’s recommendations

Framework of Unified Licence: Four categories of licenses:

➢ Unified License
  * All inclusive license.
  * Key new aspects in line with NTP’99:
    a) Internet telephony
    b) Telecom services by broadcasting and cable operators.

➢ Licensing through Authorisation
  * No entry fee or revenue share license fee.
  * Includes provision of passive infrastructure and bandwidth services,
    Radio Paging, PMRTS and Internet Services but not general internet telephony.

➢ Class License
  * No entry fee; Revenue share license fee same as Unified License.
  * Includes:
    a) Niche operators
    b) All services other than under ‘Licensing through Authorisation’, which do not have both way connectivity with Public network e.g. VSAT.

➢ All Stand Alone Broadcasting and Cable licenses (as at present).