

Government of India
Ministry of Communications & Information Technology
Department of Telecommunications
(WPC Wing)

No.R-11014/9/2001-LR

Dated: 16th April, 2003

ORDER

Subject: WPC spectrum charges (Royalty and License fee) for Commercial/Captive VSAT Networks - Change over to Revenue Share.

The issue regarding the payment of WPC spectrum charges (Royalty and License fee) for commercial and captive VSAT networks has been reviewed and the following has been decided by the competent authority:

1. Commercial VSAT networks

1.1 WPC spectrum charges under the Revenue Share Regime shall come into force from the quarter beginning 1st January, 2003 and shall be as under:

Range of data rate	Revised WPC spectrum charges
Up to 128 KBPS	3.0% of AGR
Higher than 128 KBPS and up to 512 KBPS	3.5% of AGR
Higher than 512 KBPS and up to 2 MBPS	4.0% of AGR

Note: (A) The percentage of revenue share as WPC spectrum charges indicated above comprises both royalty and license fee.

(B) The highest data rate of any VSAT in the network shall be the deciding factor for the percentage revenue share towards the spectrum charges.

1.2 Adjusted Gross Revenue (AGR) for the purpose of levying WPC spectrum charges shall be same as specified under the main DOT License Agreement.

1.3 Payment of WPC spectrum charges shall be on advance quarter basis and payable within 15 days of the commencement of the respective quarter; failing otherwise the same shall invoke penal interest as per the procedure in vogue in the main DOT License.

Penal interest shall be levied as per existing norms, procedure terms and conditions in vogue for delayed/ non payments for main DOT License Agreement.

1.5 Financial settlement/accounting of spectrum charges based on Estimated/Actual/Audited AGR's (subject to physical verification) shall be undertaken on quarterly/financial year basis on the same line/procedure and term and conditions as applicable in main DOT license agreement.

1.6 Estimated/Actual AGR's duly authenticated by the authorized signatory have to be submitted at the time of making quarterly payments.

1.7 All dues up to 31st December, 2002 shall be settled on the basis of the then existing formulae.

2. Captive VSAT Networks:

The issue of WPC spectrum charges for captive networks has also been reviewed and it has been decided to maintain status quo, while allowing data rate up to 512 KPBS, as there is no concept of revenue share in captive VSAT networks.

3. These orders come into force from the quarter commencing 1st January, 2003.

4. This issues with concurrence of Wireless Finance branch of WPC Wing vide their U.O. no. 323/WPF/03 dated 10/4/2003.



(ASHOK KUMAR)
Joint Wireless Advisor
to the Government of India

Copy to:

1. All VSAT Captive/Commercial Service Providers.
2. WPC, Finance Branch.
3. VSAT Service Providers Association