

COAI COMMENTS ON THE 4TH CELLULAR LICENSE TENDER DOCUMENTS

April 9, 2001
New Delhi

GENERAL

Please clarify whether all the queries raised / clarifications sought below will be addressed comprehensively by the DoT or will they be addressed selectively?

PART I

Clause	Tender Condition	COAI Clarifications / Comments
I	NOTICE INVITING TENDER	
	The Department of Telecom proposes to issue Licences as mentioned below for providing Cellular Mobile Telephone Service on franchise basis to Indian Registered Companies in the following service areas of the country:	a) Please clarify the meaning of the term “franchise basis” b) Since a license is proposed to be awarded, what is the significance of the term “franchise basis” in this context?
	Maharashtra Telecom Circle (Except the local areas served by Kalyan Telephone Exchange)	a) Does this mean that Mumbai and New Mumbai are included in the Maharashtra Telecom Circle?
	Tamilnadu Telecom Circle (Except local areas Served by Maraimalai Nagar Export Promotion Zone (MEZP), Minjur and Mahabalipuram Telephone Exchanges).	a) Does this mean that Chennai Telephone District is included in the Tamil Nadu Telecom Circle?
	West Bengal Telecom Circle	a) Does this mean that Calcutta Telephone District is included in the west Bengal Telecom Circle?

II SCHEDULE OF IMPORTANT EVENTS		
4	Pre-bid conference. 16.04.2001	a) If there are any overflowing queries / clarifications in the pre-bid conference to be held on 16.04.2001, will they also be addressed in the comprehensive clarifications issued on 27.04.2001.
5	Issue of comprehensive clarifications 27.04.2001	
	Issue of draft Licence agreement document 25.05.2001	a) Will the draft license agreement be made available to the bidder before the pre-bid Conference as a bidder would like to go through the terms and conditions to assess the suitability thereof so that there is enough time between availability of Draft Agreement and submission of bids ? Moreover this action should be completed prior to issue of comprehensive clarification by DoT as even this Draft Agreement will require several clarifications.
New	-	a) Can a second pre-bid Conference be also included / organized to ensure that any regulatory developments are taken into account and also to ensure that all the clarifications sought by prospective bidders have been comprehensively addressed.
19	Successful bidders to deposit 20% of Bid amount i.e. quoted entry fee. By close of next working day after being declared successful after issue of demand letter.	a) Does the term “working day” exclude Bank holidays ?
21	Payment of balance 80% Entry Fee & Submission of Financial and Performance Bank Guarantees by	a) This time frame is in conflict with Clause 7.1(vi) of Part II wherein under the process for financial bidding the

	successful bidders. 26.07.2001	successful bidder is expected to pay the balance 80% of the bid amount within 10 days of the issue of the demand letter. Please clarify?
III GENERAL CONDITIONS		
2.4	The LICENSOR reserves the right to operate Cellular Mobile Telephone Service itself or through a designated public authority, in any or all the service areas mentioned above.	<p>a) Please clarify the term “designated Public Authority”</p> <p>b) Will this “designated Public authority” operate the license on the same terms and conditions that are applicable to other cellular licensees, including payment of license fees ?</p> <p>c) Will the Licensor have the right to operate only as one operator or as multiple operators in the same service area ?</p>
5.1 (ii)	Foreign Equity: The total foreign equity in the bidder company must not exceed 49% at any time during the entire licence period. Investment in the equity of the bidder company by an NRI / OCB / International funding agencies/ Foreign Institutional Investors (FIIs) will be counted towards its foreign equity. In this regard the bidder company shall submit a certificate from the company’s auditor to the effect that total foreign equity in the bidder company does not exceed 49%.	<p>a) Is there any format in which the certificate is to be issued. If yes, could the draft format be provided along with the criteria / formalities for compliance.</p> <p>b) Does the Auditor have to be a statutory auditor?</p>
5.1(iii)	The minimum net-worth of the bidder company and its promoters (networth of only such promoters having not less than 10% share in the paid up equity capital of the bidder company shall be added) and paid up equity	a) Will the holding / subsidiary company criteria be upheld for the purpose of calculation of networth ? Please clarify?

	capital of the bidder company should be atleast as below:	b) Please clarify whether the cut off date for calculation of networth will be 31.03.2001 or any date thereafter before the submission of the bid ?
	Networth in foreign currency shall be converted into Indian rupees at the rate prevalent on 31 st December, 2000 as per the declaration of the Reserve Bank of India.	a) What is the sanctity / justification of 31.12.2001 for the forex conversion ? For the sake of uniformity, should not the forex conversion date also be 31.03.2001?
	Networth is defined as the total in rupees of paid up equity capital and free reserves. Networth of individual promoters shall be taken as equal to assets minus liabilities.	a) Can you please clarify the Networth of individual promoters (equal to assets minus liabilities), as this is conflicting with definition of networth as total of paid up capital and free reserves?
5.1(iv)	Experience: the constituent(s) having at least 30% of total equity in the applicant company must have an experience of telecom sector and the proof thereof shall be attached with the bid.	<p>a) As regards experience, the term “constituent” is at variance with Clause 5.2 (v) where the term “bidder company and / or its promoters” is used. Are these terms used interchangeably? If yes, should they not be one term to remove any ambiguity?</p> <p>b) As is with networth, should not the experience of any promoter having more than 10% of the total equity, also be counted?</p> <p>c) Also, please clarify if the experience of the holding company / promoter company along with its other subsidiaries will be eligible in this regard?</p> <p>d) What document is to be attached as proof? Will this “proof” be required from DoT? If yes, within how much</p>

		time will this be issued?
5.1 (vi)	<p>Any number of Indian Companies as well as foreign Companies may join together to promote the JV bidder company. However an Indian Company or a Foreign company cannot be part of more than one such joint venture bidder company. The same Indian company in its sole capacity can bid either by itself or through its JV company. It is further clarified that if the Joint Venture formed at the time of submission of bid undergoes a change on account of one of the parties to the Joint Venture <i>ceasing to be a member</i> of the JV, the bid will be allowed provided:</p> <ul style="list-style-type: none"> • With the remaining JV partners, all the applicable criteria are met. <p>The networth/paid up equity criteria are met after an other partner is inducted.</p>	a) Please clarify why the restriction is being imposed that an Indian Company or a Foreign Company cannot be part of more than one joint venture ?
5.2 (v)	Proof of experience of Bidder Company and/or its promoters in Telecom Sector.	a) For the sake of clarity and uniformity, could a format be provided for submitting “proof of experience”?
5.2 (vi)	Company profile with details of Telecom projects of comparable size executed and managed.	a) What does the term “comparable” size mean and with reference to what parameter / benchmark is this term to be construed?
	Engineering details as per Section III	a) Section III does not have any engineering details. Please clarify what are the engineering details required from the bidder?

	Business plan alongwith its funding arrangement for financing the project.	a) For the sake of clarity and uniformity, could a format be provided for submitting the business plan and funding arrangements?
5.2 (ix)	Copy of the agreement(s) between the promoters including the foreign Company.	a) Please clarify that this is required only for the bidding company?
5.2 (x)	Approval of Government of India for the Terms of foreign participation, if already taken, otherwise copy of the application submitted together with proof of submission to the competent authority of Government of India.	a) Please clarify that this is required only for the bidding company?
5.3	If the name of the selected bidder Company is changed prior to entering into the Licence agreement and the partners remain the same as in the bid, this shall be permitted subject to submission of relevant documents by the selected bidder.	a) In case of change of name of the bidder company what are the relevant documents, which are to be submitted? b) Change of name can also take place even after the grant of license or any time after the initiation of bidding process, subject to submission of necessary documents. Please clarify?
13.2.1	Pre-qualification: the bids will be technically and commercially evaluated giving due consideration for their conformity to the pre-qualification criteria with regard to eligibility conditions such as financial strength, minimum roll-out obligation, technical and business plans and compliance to technical, commercial, operating and financial conditions as laid down in this tender document. the successful bidders will be short-listed and their first financial bids (under sealed cover ii) for entry fee will be opened, on a date as given in	A) The clause “The pre-qualification criteria shall be restricted and applied for this purpose only” is not clear. Please clarify?

	<p>section ii, in the presence of the authorised representatives by the short-listed bidders. The pre-qualification criteria shall be restricted and applied for this purpose only.</p> <p>There will be three rounds of “multi stage informed ascending bids” as per procedure described in the Part II of this tender document.</p>	
14	The department of telecom is free to reject any or all the bids for any service area without assigning any reason.	a) Please elaborate on the circumstances that may lead to rejection of a bid?
15	After signing of licence, the earnest money bank guarantee will be returned to the selected bidders. The bank guarantee of others unless otherwise forfeited shall also be returned.	<p>a) Please specify the time period for return of the EMBG for both the successful as well as unsuccessful bidders?</p> <p>b) Could the EMBG be returned within a period of 7 days?</p>
17	Licensors are free to restrict the number of service areas for which any one company can be licensed to provide the service.	<p>a) This is in conflict with the provision that a company can bid for any number of service areas. Please clarify?</p> <p>b) Having qualified for a License on highest bid – what will be the criteria for rejection of bidder to restrict the number of service areas?</p> <p>c) Please identify and elaborate / specify the parameters / areas based on which a bidder will be dis-qualified at the stage of pre-qualification stage?</p>
IV COMMERCIAL CONDITIONS		
1.2	The licensee company may, with prior written consent	a) Instead of “written consent” will not “written intimation”

	of the Licensor replace a promoter(s) by another promoter(s) of equal or higher standing as stipulated below:	suffice?
1.3 (ii)	No single company/legal person, either directly or through its associates, shall have substantial equity holding in more than one licensee company in the same service area for the same service. 'Substantial equity' herein will mean 'an equity of 10% or more'. A promoter company cannot have stakes in more than one licensee company for the same service area.	a) Can a single company / legal person hold less than 10% equity stake in more than one licensee company for the same service area and for the same service?
2.1	The licensee shall be permitted to provide, in its area of operation, all types of mobile services including voice and non-voice messages, data services and PCOs utilizing any type of network equipment (however, the technology must be digital), including circuit and/or packet switches, that meet the relevant International Telecommunication Union (ITU)/Telecommunication Engineering Center (TEC) standards. Separate licenses shall be issued for 3G (Third Generation) services. Provided that a pilot project may also be approved and licensed for any period by the Licensor for inducting a new Technology.	<p>a) Please clarify whether WLL based mobile services will come within the scope of "all types of mobile services"?</p> <p>b) Is not 3G just a further development / evolution of existing cellular services in terms of the speed (of upto 2Mbps), capacity and efficiency and should it not therefore be considered as an integral part of existing cellular license?</p> <p>c) Please clarify why the issue of separate licenses for 3G services was not part of the guidelines issued on January 5, 2001 or part of the tender documents put on the DoT website?</p>
3.1	This LICENCE shall be valid for a period of 20 years from the effective date unless revoked earlier for whatever reasons.	a) Please clarify that the revocation of the license will only be as per reasons stated in the license agreement?
5.1	The LICENSOR reserves the right to modify at any time	a) What is meant by the term "proper conduct of service"?

	the terms and conditions of the LICENCE, if in the opinion of the LICENSOR it is necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of the SERVICE. The decision of the LICENSOR shall be final in this regard.	Please clarify whether there are any guidelines available for this purpose?
6.2	The written consent permitting transfer or assignment of the LICENCE may be granted by the LICENSOR in accordance with the terms and conditions, and procedures described in Tripartite Agreement if duly executed amongst LICENSOR, LICENSEE and LENDERS.	a) Please clarify that the draft Tripartite Agreement annexed with the tender documents is only suggestive draft and will be finalized only after obtaining the consensus of all parties in the agreement?
7.2	The LICENSEE shall be permitted to carry its own long distance traffic within his service area without seeking an additional Licence.	a) Please clarify why this condition is not in conformance with NTP 99 which clearly provides for direct connectivity with VSNL and also envisages direct inter connectivity between service providers in different service areas?
8.1	The LICENSEE shall commission the Applicable Systems within one year from the effective date of the Licence. Commissioning of service shall mean providing commercial service to customers after obtaining clearance from the licensor in this regard.	a) Please define the meaning of "commercial services"? Does this mean the date from which the licensee starts charging the subscriber?
10.1	The licensee shall publish a Service Directory containing the commercial information on the service with name and address, and access number of the subscribers. If any subscriber does not wish his name and address to be published in the Directory, the	a) In the light of the Receiving Party Regime currently in force, would it not be more appropriate for the service provider to publish a directory containing the names of subscribers who have expressly indicated their willingness for their subscriber details to be published?

	service provider can do so only after obtaining concurrence of the subscriber in writing.	b) Please also clarify that it would be optional for the licensee to publish the directory in electronic form?
10.3	The Authority reserves the right to include information of the subscribers in any other Directory which may be published by the Authority for PSTN/Telex/data Services etc. and the licensee shall be bound to supply the required information as and when asked for.	a) Please define "Authority"? b) If the term "Authority" means DoT, then as a licensor what is the requirement for them to publish a directory?
11.3	The LICENSEE shall in no case permit digital transmission service to any Telecom Service Provider (including those Other Service Providers who do not require licence under Section 4 of Indian Telegraph Act, 1885) whose licence is either terminated or suspended or not in operation at any point of time. Where connectivity already exists, the LICENSEE shall be obliged to disconnect or severe connectivity immediately without loss of time. Upon receipt of any reference from the LICENSOR in this regard, disconnection shall be made effective within an hour of receipt of such reference. The LICENSEE shall keep the LICENSOR indemnified from any claim arising out of such Telecom Service Provider or third party.	a) In not disconnection within one-hour time very impracticable and anti-consumer? Could not the licensee be given at least 48 hours notice? b) Please clarify why the licensee should indemnify the licensor for claims arising as a result of carrying out the orders of the licensor?
12.1	The LICENSOR reserves the right to suspend the operation of this LICENCE in whole or in part, at any time, if, in the opinion of the LICENSOR, it is necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of the SERVICE. Licence Fee payable to the LICENSOR	a) Please state the notice period that will be provided by the licensor before the service is suspended? b) Please also specify the circumstances under which the suspended period of license will not be counted towards license period spent?

	<p>will not be required to be paid for the period for which the operation of this LICENCE remains suspended in whole.</p> <p>Provided that the LICENSOR shall not be responsible for any damage or loss caused or arisen out of aforesaid action. Provided further that the suspension of the LICENCE will not be a cause or ground for extension of the period of the LICENCE and suspension period will be taken as period spent.</p>	
12.3	<p>Licensee may surrender the licence, by giving notice of at least 60 calendar days in advance. In that case it shall also notify all its customer of consequential withdrawal of service by sending a 30 calendar days notice to each of them. The licensee shall pay all fees payable by it till the date on which the surrender of the licence becomes effective. The effective date of surrender of licence will be 60 calendar days counted from the date of receipt of such notice by the licensor.</p>	<p>a) Please clarify whether it will suffice if the licensee notifies its customers through a public advertisement about the withdrawal of service?</p>
12.5	<p>The licensor reserves the right to revoke the licence at any time in the interest of public by giving a notice of 60 calendar days from the date of issue of such notice.</p>	<p>a) Please clarify the circumstances under which the license may be revoked?</p>
12.7	<p>Breach of non-fulfillment of Licence conditions may come to the notice of the LICENSOR through complaints or as a result of the regular monitoring. Wherever considered appropriate LICENSOR may conduct an inquiry either suo-moto or on complaint to determine whether there has been any breach in</p>	<p>a) What is the procedure to be followed for the purpose of an enquiry?</p> <p>b) Are there any guidelines along which such an enquiry will be conducted?</p>

	compliance of the terms and conditions of the LICENCE by the LICENSEE and upon such inquiry the LICENSEE shall extend all reasonable facilities and shall endeavor to remove the hinderance of every type.	c) Will the enquiry be conducted by the Licensor or TRAI?
12.8	It shall be the responsibility of the LICENSEE to maintain the Quality of Service, even during the period when the notice for surrender/termination of LICENCE is pending and if the Quality of Service is not maintained, during the said notice period, it shall be liable to pay damages. The licensee shall also be liable to pay the Licence Fee till the end of the notice period and more specifically the date on which the surrender/termination becomes effective.	a) Please quantify the damages?
13.2	Whenever the LICENCE is terminated or not extended, the LICENSOR may, in order to ensure continuity of Service, issue LICENCE to another Indian Company for running the SERVICE.	a) What compensation will be provided to the Operator / Licensee in the event of take over of network?
14.1	As per provisions of Telecom Regulatory Authority of India Act, 1997 as amended from time to time, the dispute between the LICENSEE and a group of the Telecom Service Providers or the LICENSOR and the licensee shall be settled in Telecom Disputes Settlement and Appellate Tribunal, if such dispute arises out of or connected with the provisions of this agreement.	a) Please clarify that all the disputes arising between the licensor and licensee shall be subject to the jurisdiction of TDSAT?
15.2	However, the Force Majeure events noted above will not in any way cause extension in the period of the	a) Force Majeure events like war, hostility must cause extension of license. Please clarify?

	LICENCE.	
15.3	While it will normally not be a ground for non-payment of Licence Fee, the liability for payment of Licence fee for such inoperative period(s) due to force majeure clause may, however, be reduced/waived by the LICENSOR, at its discretion based on circumstances of the EVENT.	a) There should not be any payment of license fee required during this period. Could you please clarify?
16.3	After exercising the right of set off a notice shall always be given immediately by the licensor to the licensee.	a) Why not a prior notice if it is an unfettered right?
17.1	The bidder company shall make its own arrangements for Right of Way (ROW). However, the Central Government may issue necessary notification conferring the requisite powers upon the licensee for the purposes of placing telegraph lines under Part III of the Indian Telegraph Act'1885. Provided that non-availability of the ROW or delay in getting permission / clearance from any agency shall not be construed or taken as a reason for non-fulfillment of the Roll-out obligations and shall not be taken a valid a valid excuse for not carrying any obligations imposed by the terms of this Licence.	<p>a) If the delay in granting permission for ROW is from the State or Statutory Authority, then why should it not be a valid reason for non-fulfillment of the Roll-out obligations of the licensee and not attract liquidated damages?</p> <p>b) In the face of delay / denial of ROW is there any other options available to the licensee to achieve his roll-out obligations?</p> <p>c) How will the delay be calculated?</p> <p>d) Will the notification on ROW permission provide an equal status to the Private Operators at par with BSNL / MTNL/other public operators etc., for the purposes of permission / rights.</p>
21.4	Base Station Area means the part of service area covered by a base station and every mobile station in a base station area which can be reached by the radio	a) The term "Base Station Area" is a new term that was not there in earlier documents. Please clarify the relevance and import of this term?

	equipment of the base station.	
21.8	Cellular Mobile Telephone Service (CMTS) means telecommunication service provided by means of a telecommunication system for the conveyance of messages through the agency of wireless telegraphy where every message that is conveyed thereby has been, or is to be, conveyed by means of a telecommunication system which is designed or adapted to be capable of being used while in motion. The cellular mobile telephone service refers to transmission of voice or non-voice messages over licensee's network in real time only. Service does not cover broadcasting of any messages voice or non-voice. The subscriber has to be registered and authenticated at the network point of registration and approved numbering plan shall be applicable.	a) Cell broadcast, which is a real time non-voice broadcast is a feature of a digital cellular service, as in existing licenses and should therefore be included in the definition of CMTS. Please clarify?
21.10 (i)	"Service Area" connotes the Telecom Service Area Unit limits within which the Licensee may operate and offer the services;	a) This definition of "Service Area" is at variance with the elaboration given in Section 21.32. Please clarify the relevance of these different definitions and the circumstances, if any, under which each of these definitions would apply?
21.24	"Mobile Switch Control, also known as MSC" means the switching equipment installed at the part of the network which performs all switching functions of calls for providing various services under the scope of this Licence. All the commercial information and data bases reside in the MSC.	a) The full form of MSC, as defined by the DoT in its earlier documents, is "Mobile Switching Centre" Please clarify whether there is any relevance for the change in the full form of "MSC"?

21.25	<p>“Mobile Switch Control (MSC) Area” means the part of the network covered by such MSC and an MSC area may consist of one or several location areas.</p>	<p>a) As above, please clarify that “MSC” denotes Mobile Switching Centre”?</p> <p>b) The term “MSC Area” is a new term that was not their in earlier documents. Please clarify the relevance and import of this term?</p>
21.32	<p>SERVICE AREA: Service area means the territorial jurisdiction as specified under this Licence except the areas that may be notified to be excluded from time to time.</p>	<p>a) This definition of “Service Area” is at variance with the elaboration given in Section 21.10. Please clarify the relevance of these different definitions and the circumstances, if any, under which each of these definitions would apply?</p>
<p>V TECHNICAL CONDITIONS</p>		
1.4	<p>Minimum facilities:</p> <p>Calling Line Identification (CLI) shall be provided. The network should also support Malicious Call Identification and CAMA.</p>	<p>a) What is the full form of “CAMA”?</p>
1.5	<p>Quality Of Service:</p> <p>The system should meet the quality of service requirements as specified by the LICENSOR/TRAI from time to time. the following parameters should invariably be met:</p>	<p>a) The QOS parameters are a repetition of what was provided in the first round of licensing. These parameters have subsequently been defined by the TRAI in their “Regulation of Quality of Service of Basic and Cellular Mobile Telephone services, 2000 (2 of 2000) dated July 5, 2000. Accordingly, the QOS parameters defined in the tender document should be replaced to read “to meet applicable TRAI standards as specified from time to time”. Could you please clarify and comment?</p>

1.6	<u>Supplementary Services</u> <ul style="list-style-type: none"> ▪ Mobile Access Hunting 	a) What is the meaning of the term “Mobile Access Hunting”?
1.7	<p>The frequencies shall be assigned by WPC from the designated bands prescribed in National Frequency Allocation Plan - 2000. (NFAP-2000). Appropriate frequency spots in frequency-band of 890-915 MHz paired with 935-960 MHz will be assigned to operators selected for vacant slots and 1710-1785 MHz paired with 1805-1880 MHz will be assigned to fourth cellular operator. A cumulative maximum of upto 4.4 MHz + 4.4 MHz will be permitted. Based on usage, justification and availability, additional spectrum upto 1.8 MHz + 1.8 MHz making a total of 6.2 MHz +6.2 MHz, may be considered for assignment, on case by case basis, on payment of additional Licence fee. The frequencies assigned may not be contiguous and may not be same in all cases, while efforts would be made to make available larger chunks to the extent feasible.</p>	a) Please clarify how an operator in the 1800 MHz band with a bandwidth of 4.4 / 6.2 MHz will be able to meet the required grade of service? b) Please clarify what will be the basis for allocation of additional frequency? c) Please clarify what will be the time frame within which it will be provided? d) Please clarify what will be the Number of subscribers based on which additional frequency will be provided? e) Please clarify what will be the roll out obligation on achievement of which this additional frequency will be provided?
1.9	The system shall conform to fundamental plans of DOT.	a) Could you please provide the reference number of the fundamental plan document & preferably, a copy of the same?
4.2 (b)	To establish and maintain such one or more Points of Interconnect as are reasonably required and are of sufficient capacity and in sufficient numbers to enable transmission and reception of the messages by means of the Applicable Systems,	a) Please clarify whether, depending upon network integrity and technical feasibility, the licensee will be allowed multiple Pols keeping in mind consumer interest and the most affordable delivery of services?

4.2 (c)	To connect, and keep connected, to their Applicable Systems,	a) Please clarify whether it implies that seamless interconnection between all service providers will be mandatory?
4.5	It shall be mandatory for Cellular Service providers to provide interconnection to all eligible Telecom Service Provider as well as NLD service providers whereby the subscribers could have a free choice to make inter-circle/international long distance calls through NLD service provider. For international long distance call, the cellular service operator shall access international long distance operator through national long distance operator only.	a) The requirement that “for international long distance call, the cellular service operator shall access international long distance operator through national long distance operator only” is against the provisions of NTP 99, which clearly provide for direct connectivity with VSNL. Please clarify?
4.6	Point of Inter-connection (POI) between the networks of cellular mobile telephone service providers and fixed service providers shall be only with Level-I TAXs and tandem exchanges in the Metros. In Telecom Circles the interconnection shall be with level I TAX/interconnection with level II TAXs may also be allowed, however, transiting of traffic to other LDCAs at POIs on level II TAX is not permitted.	a) Would it be ensured that levels of Interconnect will be such that these allow customer to have affordable and efficient services. This would be in the customer interest? b) If Interconnect is a mutual agreement issue between service providers, then why is the licensor specifying and limiting the number of Pols? c) Should not the licensor instead, remove all artificial barriers to an effective interconnection? d) Further, if TRAI has the authority to determine the terms of Interconnection, should this condition be a part of tender document? e) Nonetheless, can the Licensor ensure that

		<p>Interconnection is provided by other operators in a reasonable time frame on non-discriminatory terms and conditions?</p> <p>f) Please clarify whether all access providers in a given service area will be permitted interconnection at the same points and on the same terms? If no, the reasons thereof?</p>
3.5	<p>Any delay in payment of Licence Fee, or any other dues payable under the LICENCE beyond the stipulated period will attract interest at a rate which will be 5% above the Prime Lending Rate (PLR) of State Bank of India prevalent on the day the payment became due. The interest shall be compounded monthly and a part of the month shall be reckoned as a full month for the purposes of calculation of interest.</p>	<p>a) Should not the interest be calculated on 7 days or 15 days basis and not on full one month?.</p>
3.8	<p>In case, the total amount paid on the self assessment of the LICENSEE as quarterly Licence Fee for the 4 (four) quarters of the financial year, falls short by more than 10% of the payable Licence Fee, it shall attract a penalty of 150% of the entire amount of short payment. This amount of short payment along with the penalty shall be payable within 15 days of the date of signing the audit report on the annual accounts, failing which interest shall be further charged per terms of Condition 3.5. However, if such short payment is made good within 60 days from the last day of the financial year, no penalty shall be imposed.</p>	<p>a) If license fee is paid in advance for the succeeding quarter, based upon the licensees revenues for the preceding quarter, under what circumstances will the quarterly license fee fall short?</p>

VI FINANCIAL CONDITIONS	
1.3	<p>In addition, the cellular licensees shall pay spectrum charges on revenue share basis of 2% of AGR towards WPC charges covering royalty payment for the use of cellular spectrum upto 4.4 MHz + 4.4 MHz and licence fee for cellular mobile handsets & cellular mobile base stations and also for possession of wireless telegraphy equipment as per the details prescribed by Wireless Planning & Coordination wing (WPC). Any additional band width, if allotted subject to availability and justification shall attract additional licence fee as revenue share (typically 1% additional revenue share if bandwidth allocated is upto 6.2 MHz + 6.2 MHz in place of 4.4 MHz + 4.4 MHz).</p> <p>Further, royalty for the use of spectrum for point to point links and access links (other than cellular service spectrum) shall be separately payable as per the details and prescription of Wireless Planning & coordination Wing. The fee/royalty for the use of spectrum /possession of wireless telegraphy equipment depends upon various factors such as frequency, hop and link length, area of operation etc. Authorization of frequencies for setting up microwave links by cellular operators and issue of licences shall be separately dealt with WPC wing as per existing rules.</p> <p>The above spectrum charge is subject to review by WPC wing from time to time.</p>
	a) Please clarify that the spectrum charges on a revenue share basis of 2% of adjusted gross Revenues will also include microwave access charges?

VII OPERATING CONDITIONS		
1.1	<p>The LICENSEE will be bound to register the demand/request for Mobile Telephone Connection and shall provide the service to any individual or legal person without any discrimination, unless directed by the LICENSOR in writing. The licensee shall be required to maintain a transparent, open to inspection, waiting list. The licensee shall be permitted to launch the commercial service only after commencement of registration in the manner prescribed.</p> <p>Provided that nothing contained herein will affect or prejudice the rights of the Licensee to carry out check on credit worthiness of its prospective subscribers</p>	a) Please clarify whether the service provider will have the right to deny a subscription to a prospective subscriber based on credit-worthiness?
2.2	<p>The Licensee shall be responsible to ensure that the user /mobile terminal is operated within India in accordance with the terms of the Licence and the WPC Licence. The SIM Card in the Mobile Handset or user terminal is non-transferable.</p>	<p>a) Please clarify what is meant by “that the user /mobile terminal is operated within India in accordance with the terms of the Licence and the WPC Licence.”?</p> <p>b) Also clarify the meaning of the term “is non-transferable”.</p>
5	<p>Direct interconnectivity between licensed CMSPs and any other Telecom service provider (including another CMSP) in the same Service Area is permitted for the purpose of only terminating traffic of each other; intimation shall have to be given to the LICENSOR within 15 Calendar days of establishing such direct interconnectivity. Such interconnection shall be as per mutual agreement between the service providers. The</p>	a) Why is Direct connectivity with any other Service Provider permitted only for terminating traffic? Should this not be allowed for both ways terminating and carriage? Please comment and clarify?

	<p>interconnection shall have to be withdrawn in case of termination of the respective licensed networks of another CMSP or other Telecom service providers within two hours or within such time as directed by the LICENSOR in writing, after receiving intimation from the LICENSOR in this regard.</p>	
6	<p><u>Coverage Criteria:</u></p> <p>The LICENSEE shall endeavour to cover the entire Service Area at an early date and notify on quarterly basis the areas not covered by the licensee's System. In Metros, 90% of the service area shall be covered within one year of the effective date. In Telecom Circles, atleast 10% of the District Headquarters (DHQs) will be covered in the first year and 50% of the District Headquarters will be covered within three years of effective date of Licence. The licensee shall also be permitted to cover any other town in a District in lieu of the District Headquarters. Coverage of a DHQ/town would mean that at least 90% of the area bounded by the Municipal limits should get the required street as well as in-building coverage. The District Headquarters shall be taken as on the effective date of Licence. The choice of District Headquarters/towns to be covered and further expansion beyond 50% District Headquarters/towns shall lie with the Licensee depending on their business decision. There is no requirement of mandatory coverage of rural areas.</p>	<p>a) DoT must provide a list of DHQs existing at the time of issuing the tender to ensure that any addition / bifurcation of an existing DHQ does not effect the criteria of coverage / roll-out obligations of the licensees later. Please clarify whether this list will be issued along with the comprehensive clarifications due on 27.04.2001?</p>

7.1 & 7.2	<p>The date of delivery of the Service stipulated in this Licence shall be deemed as the essence of the contract and the service must be brought into commission not later than such specified date. No extension in delivery date will be granted. If the Service is brought into commission after the expiry of the date of commissioning, without prior written concurrence of the licensor and is accepted, such commissioning will entail recovery of liquidated damages under this Condition. Provided the commissioning of the Service is effected within 15 Calendar days of the expiry of commissioning date then the Licensor shall accept the Services subject to recovery of liquidated damages.</p> <p>In case the Licensee fails to bring the Service or any part thereof into commission (i.e., fails to deliver the service or to meet the required coverage criteria) within the period prescribed for the commissioning, the Licensor shall be entitled to recover Rs. 5 Lakh (Rupees: Five Lakhs) for each week of the delay or part thereof, subject to maximum Rs. 100 Lakhs (Rupees: One Hundred Lakhs). For delay of more than 20 weeks the Licence shall be terminated under the terms and conditions of the Licence agreement. The week shall mean 7 Calendar days from (from midnight) Monday to Sunday; both days inclusive and any extra day shall be counted as full week for the purposes of recovery of liquidated damages.</p>	<p>a) Will the licensor take any kind of responsibility for the delays incurred on its account thereby affecting the roll-out obligations of the licensee?</p> <p>b) If not, the reasons thereof?</p>
8.1	The Licensor will also carry out all performance tests required for successful commissioning of the service, if	a) Will the licensor take any responsibility for delays on its account in carrying out all performance tests?

	<p>it so desires, before the service is commissioned for public use. The LICENSEE shall supply all necessary literature, drawings etc. regarding the equipment installed for commissioning of the services, and shall also supply all the tools, test instruments and other accessories to the testing party of the LICENSOR for conducting the tests. The list of performance tests will be furnished by the LICENSEE one month prior to the date of commissioning to the Licensor. In case the Licensor chooses to conduct performance test and some deficiency is found therein by the licensor, the delay caused for rectification of the deficiencies, if any, for the commissioning/ provisioning of the service will be entirely on account of the Licensee.</p>	
13.1	<p>The LICENSEE shall not engage on the strength of this LICENCE in the provision of any other Service other than the SERVICE as defined in this Licence Agreement.</p>	a) Please define the term "Service"
13.2	<p>To remove any doubt, it is, hereby, clarified that nothing contained in condition in Para above shall preclude the LICENSEE from engaging in advertising and promotional activities relating to any of the Applicable Systems.</p>	a) What is the scope/ definition of "Applicable Systems"?
14.4	<p>The LICENSEE shall ensure protection of privacy of communication and ensure that unauthorized interception of messages does not take place.</p>	a) The licensee can only endeavour to protect the privacy of communications, but cannot ensure it. Please clarify?
3.3	<p>The designated person of the Central/State</p>	a) First, this point should be numbered as 14.9. instead of

	<p>Government as conveyed to the Licensor from time to time in addition to the Licensor or its nominee shall have the right to monitor the telecommunication traffic in every MSC, BSC and any other point in the network set up by the licensee. The Licensee should make arrangement for monitoring simultaneous calls by Government security agencies at the location individually desired by the Central Government the State Government/Union Territory. The hardware/software required for monitoring of calls shall be engineered, provided/installed and maintained by the Licensee as also in the premises of security agencies at licensee's cost. However, the respective Government instrumentality shall bear the cost of leased line circuits from the MSC to the monitoring centres to be located as per their choice or in the premises of the licensee. In case the security agencies intend to locate the equipment for facilitating monitoring, the licensee should extend all support in this regard including Space and Entry of the authorised security personnel. The Interface requirements as well as features and facilities as defined by the Licensor should be implemented by the licensee for both data and speech. The Licensee should ensure suitable redundancy in the complete chain of Monitoring equipment for trouble free operations of monitoring of atleast 210 simultaneous calls.</p>	<p>3.3.</p> <p>b) It is submitted that the licensee can make arrangements for the monitoring of simultaneous calls only at the MSC level. Please comment?</p> <p>c) The hardware / software required at the monitoring agencies premises shall be provided at the cost of and maintained by the respective security agencies. Please comment?</p> <p>d) The leased lines will be brought from the premises of the security agencies to the premises of the licensee by the respective security agency. Please comment?</p> <p>e) What is the justification for increasing the number of monitoring of simultaneous calls from 180 calls as was specified earlier, to 210 ?</p> <p>f) Please clarify whether the precise location of the target subscriber would be confined only to a cell ID?</p>
14.13	<p>The Licensee should provide a list of his subscribers, to authorised security agencies directly as well as to the licensor which should be updated at quarterly intervals.</p>	<p>a) Providing a List of subscribers on a Quarterly basis with updation on monthly basis is unreasonable requirement. Would it not suffice if a list is given on a half-yearly /</p>

	Additions and deletions in this list should be reported on monthly basis. The licensee shall ensure adequate verification of each and every customer before enrolling him as a subscriber; instructions issued by the licensor in this regard from time to time shall be scrupulously followed. The SIM Card used in the User terminal shall be registered against each subscriber for his bonafide use. The licensee shall make it clear to the subscriber that the mobile terminal registered against him is non-transferable and that he alone will be responsible for proper and bonafide personal use of the service.	yearly basis? b) Since no mobile terminals are registered against a subscriber, please clarify how the licensee can ensure that the mobile terminal is non-transferable and that the subscriber alone will be responsible for proper and bonafide personal use of the service?
14.14	A format would be prescribed by the LICENSOR to delineate the details of information required before enrolling a customer as a subscriber. A photo identification of subscribers shall be pre-requisite before providing the service.	a) Please clarify that a photocopy of photo identification will be sufficient for this purpose?
14.15	The Licensor or its representative(s) will have an access to the Database relating to the subscribers of the Licensee. The Licensee shall also update the list of his subscribers and make available the same to the Licensor at such intervals as may be prescribed. The Licensee shall make available, at any prescribed instant, to the Licensor or its authorised representative details of the subscribers using the service.	a) Information about any subscriber may be provided as and when required. Please comment?
14.16	The Licensee shall maintain all commercial records with regard to the communications exchanged on the network till the Licensor clears the same for destruction. Such records shall be archived for atleast one year for scrutiny by the Licensor for security reasons.	a) Please clarify that the licensor will clear the commercial records for destruction within a specified time frame, say one year?

Annexure 1 L		
	In case of Basic Service, revenue from WLL may be shown separately.	a) This may be clarified? Does it mean that CMTS provider can provide WLL based Limited Mobility Service

Part II

TERMS OF FINANCIAL BID		
		a) There is a requirement of an exit policy for H2,H3.. bidders for the subsequent rounds. How is this being ensured?
7.1 (vi)	<p>The bidders, who qualify for bidding for the third round, shall be required to submit the third and final bid. the highest bidder of the third round financial bidding will be declared successful for grant of licence.</p> <p>The successful bidder after being so declared during the bid opening, shall deposit atleast 20% of the bid amount (quoted entry fee) by the close of the office hours of the next working day of the issue of demand letter. The balance 80% of the bid amount (quoted entry fee) must be paid within 10 days of issue of demand letter.</p>	a) This time frame is in conflict with Clause 21 in Section II of Part I wherein under the process for financial bidding the successful bidder is expected to pay the balance 80% of the bid amount within 30 days of the issue of the demand letter. Please clarify?