

Government of India
Ministry of Communications & Information Technology,
Department of Telecommunications
(Basic Services Licensing Group)
Sanchar Bhavan, 20 Ashok Road, New Delhi-110 001

No.10-25/2001-BS.I(Vol.IV)

Dated, the 18th June, 2004.

Memorandum

To

All National Long Distance Service Providers

Sub: Amendment to Para 7 of the Guidelines for issue of Licence for National Long Distance Service.

The undersigned is directed to convey the approval of the competent authority for amendment of Para 7 of the Guidelines for issue of Licence for National Long Distance Service. The amended clause may be read as under:

Existing Para 7	Amended Para 7
<p>The applicant company shall pay one time Entry Fee of Rs 100 crores before the signing of the Licence in the form of Demand Draft/Pay Order payable at New Delhi in favour of Pay & Accounts Officer (Headquarter), Department of Telecom and shall be non-refundable. In addition thereto, four Bank Guarantees (BG) of Rs. 100 crores each shall be given which will be released back on completion of each phase in the manner described below subject to fulfilling the network Roll out obligations by establishing Point of Presence in LDCAs as specified in Annex-IV:</p> <p>i) Completion of phase I Rs.100 Crores (ii) Completion of Phase II Rs.100 Crores (iii)Completion of Phase III Rs.100 Crores (iv)Completion of Phase IV Rs.100 Crores</p>	<p>7. The applicant company shall pay one time Entry Fee of Rs 100 crores before the signing of the Licence in the form of Demand Draft/Pay Order payable at New Delhi in favour of Pay & Accounts Officer (Headquarter), Department of Telecom and shall be non-refundable. In addition thereto, four Performance Bank Guarantees (PBG) of Rs. 50 crores each shall be given which will be released back on completion of each phase in the manner described below subject to fulfilling the network Roll out obligations by establishing Point of Presence (PoP) and getting permission for commencement of service in LDCAs as specified in Annex-IV:</p> <p>(i) Phase I Rs.50 Crores (ii) Phase II Rs.50 Crores (iii) Phase III Rs.50 Crores (iv) Phase IV Rs.50 Crores</p>

	<p>7.1 Based on self-certification of the Licensee and after taking on record the establishment of Point of Presence (PoP) in Long Distance Charging Areas as per network roll out obligations as specified in Annex-IV, the amount of Performance Bank Guarantee shall be reduced by 50% i.e. from Rs. 50 crores to Rs. 25 crores. Further, the PBG for respective phase shall be released after permission to commence the service has been accorded by the Licensor from the requisite number of PoPs in various LDCAs as per network roll out obligation of respective phase.</p> <p>7.2 Each phase shall be taken as an independent obligation unconnected with other. Any shortfall below the percentage of network coverage - Phase I, II, III & IV will result in encashment & forfeiture of the particular PBG relating to that phase. The decision of the LICENCOR shall be final in this regard.</p>
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(Sukhbir Singh)
Director (BS.III)

Copy to:

1. Secretary, TRAI, New Delhi.
2. DDG (LF), DOT