

**1) Major Initiatives by Government:**

**a) Finalization of Unified License:**

The Government has finalized Unified Licence (UL). The salient features of UL are as follows:

- (i) The spectrum is delinked from the licences and has to be obtained as per prescribed procedure separately. At present spectrum in 800/900/1800/2100/2300MHz band is allocated through bidding process.
  - (ii) Following broad Categories of the service are encompassed through authorization under Unified Licence:
    - (a) Access Service
    - (b) Internet Service
    - (c) National Long Distance (NLD) Service
    - (d) International Long Distance (ILD) Service
    - (e) Global Mobile Personal Communication by Satellite (GMPCS) Service
    - (f) Public Mobile Radio Trunking Service (PMRTS) Service
    - (g) Very Small Aperture Terminal (VSAT) Closed User Group (CUG) Service
    - (h) INSAT MSS-Reporting (MSS-R) Service.
    - (i) Resale of International Private Leased Circuit (IPLC) Service
  - (iii) For Broadband penetration, ISP Category 'C' introduced at SSA level.
  - (iv) One nation-one licence approach.
  - (v) Adoption of green technology (Clause 23.6)
  - (vi) Earlier, the UAS licenses were granted at the entry fee of Rs. 1658 Crores covering all the 22 Service areas, with spectrum subject to availability. Under Unified License, Access Service covering all the 22 service areas is available, without access spectrum at the Entry Fee of Rs. 15 Crores. (permitting all the 9 telecom services). Also, Rs. 1 Crore per Service area (for access service).
  - (vii) Roll out obligation linked with date of spectrum allocation instead of date of license for PMRTS, GMPCS, VSAT & INSAT MSS-R Services.
  - (viii) Roll out obligation of ISP and ILD license removed.
  - (ix) Uniform License Fee of 8% of AGR.
  - (x) Licensee is permitted to use any Technology for provision of services.
  - (xi) The requirement of crossholding/substantial equity has been and linked with spectrum allotment.
- These provisions also enable entry of serious players and early roll out of network.
- UL licensee may provide all type of services under the license with converged network and will be a stepping stone towards convergence of services.

**b) Delicensing of Frequency Band:**

Delicensing of frequency band for use of anti-theft device and vehicle alarming system:

- i. The frequency band 433-434 MHz with associated technical parameters has been exempted from delicensing requirements for indoor applications. This will benefit all those persons who would like to use this band for anti-theft devices and vehicle alarms systems.
- ii. The frequency band 9-50 kHz has also been identified for delicensing which could be used for various applications such as data transfer to handheld devices, Battery Pen (Pencil) works with touch screen etc.

**c) Auction of Spectrum:**

Auctions of Spectrum were held in November, 2012 and March, 2013 for mobile telecom services.

**d) Spectrum Refarming:**

Refarming of Spectrum in certain frequency bands is in progress to make spectrum available for introduction of new technologies.

**e) Implementation of Centralized Monitoring System:**

The project of Centralized Monitoring System (CMS) was approved by Cabinet Committee on Security (CCS) on 16.06.2011 as a part of Communication Security Research & Monitoring centre at Government funding of Rs 400 crores. The project is to be implemented by C-DOT in three phases, each taking a time of about 13-14 months. Some of the work in each phase is to be done concurrently to reduce the time of implementation. The system envisages to replace the existing manual system of interception and monitoring to an automated system.

**f) Addressing the Health Concerns;** Government has taken proactive steps in addressing the health concerns of people by reducing the EMF norms  $1/10^{\text{th}}$  of ICNIRP guidelines in case of towers. It has reduced the SAR limits for handsets from 2.0 W/Kg averaged over a tissue mass of 10 gm to 1.6 W/Kg averaged over a tissue mass of 1Kg. This effectively reduces radiation limit from handset by about half.

National helpline for dealing with public complaints regarding EMF radiation in Mumbai Metro is operational and proposed to be operationalized by 30 Sept 2013 in other Metros.

**g) Roadmap for IPv6:** India is one of the first country to have chalked out a detailed roadmap for implementation of IPv6.

IPv6 Ready Logo test lab as per standards prescribed by IPv6 Ready Logo Committee for Conformance and Interoperability testing of IPv6 Protocol has also been set up TEC. India has thus joined Europe and a select group of countries which include USA, Japan, China and Taiwan having IPv6 Ready Logo test lab facilities.

## 2) Departmental Issues Highlighted Recently in the Media:

### i. *Centralized Monitoring System (CMS):*

*Issue:* Some media reports have appeared about Centralized Monitoring System (CMS) fearing that it may compromise on the privacy of the citizens.

*Brief:* The Centralized Monitoring System (CMS) will automate the existing process of Interception and Monitoring and all the safeguards which are available and exercised in the existing manual mode of interception and monitoring of Communication will continue to be exercised. The interception and monitoring will continue to be as per Section 5(2) of Indian Telegraph Act read with Rule 419(A). Implementation of CMS will rather enhance the privacy of the citizens because with the implementation of CMS, there will not be necessity of taking the authorization to the nodal officer of Telecom Service Providers, who comes to know whose or which phone is being intercepted. After the implementation of CMS, provisioning of Interception will be done by the CMS authority which would be different than the Law Enforcement Agencies. The Law Enforcement Agency cannot provision for Interception and Monitoring and the CMS authority cannot see the content but only would be able to provision the request from LEA. Hence, the complete check and balance will be ensured. Further, a non-erasable command log will be maintained by the system, which can be examined anytime for misuse, thus having an additional safeguard.

Thus contrary to what is mentioned sometimes in news item, CMS will better protect the privacy of individuals and maintain better secrecy due to following reasons:

- There will be inbuilt system of check and balance in the sense that provisioning entity and interception monitoring entity will be different. Provisioning entity cannot know the content and interception monitoring entity cannot provision.
- With the implementation of the system, service provider nodal officer will not know the number under interception.



- Service providers will not be authorized to carry out the provisioning and, hence, diminishing the chances of any unauthorized provisioning.
- System will maintain log of all provisioning activities and, hence, any unauthorized provisioning can be detected easily.

## ii. Security Testing of Telecom Equipment:

*Issue:* The news items have appeared on the plan of the Government to set up Telecom Security Testing Labs in Government or asking some private sector labs to set up their facility in India for Security Testing of Telecom Equipments.

*Brief:* Government has mandated to Telecom Service Providers (TSPs) that all telecom network elements which are put into the network should be security tested against national or international telecom security standards. For this purpose they should get their equipment security tested from certified/authorized labs located anywhere in the World. From 1<sup>st</sup> October, 2013, the certification will be required to be got done from a lab located in India. In this regard, the Government is in the process of setting up all the Telecom Testing and Security Certification Centre (TTSC) which will develop the systems, processes and formulate or adopt the telecom security standards and develop/prescribe the test tools for security testing of telecom equipments. A pilot lab has already been established at IISc, Bangalore. Earlier, it was envisaged that this lab will be scaled up to a full-fledged TTSC. However, due to the controversy of Huawei, IISc Bangalore has requested that such a lab should be established under DOT. The process for establishment of this lab under DoT is on. Actual testing of the telecom equipment will be done by the lab established in public, private or in joint sector on commercial basis. These labs will have to get their accreditation from the TTSC for ensuring quality and uniformity in testing. The efforts are being made to start issuing security certification at least for some equipment from 1<sup>st</sup> October, 2013, taking the help of some officers who have been attached with Security unit recently. However, as the issue is technologically complex, TTSC has still not been established, and private labs have started showing interest for establishment of security labs only recently, it may take about a year more for these labs to start testing and issuing security certificate.

## iii. Blackberry Services:

*Issue:* On and off news appears about Government of India having forced the RIM to provide a solution for Interception of Blackberry services in a readable format.

**Brief:** After a long protected negotiation, RIM has agreed to provide a solution for interception of its services in readable format. The solution is in final stages of implementation. All private service providers except Ms Seistama Shayam and public sector operators BSNL and MTNL has established connectivity with the solution. Ms Seistama Shayam has only a small number of Blackberry user and BSNL and MTNL have asked for more time for connectivity and implementing the solution. A meeting is proposed to be held by Secretary (T) with CMD BSNL and MTNL on 18.07.2013 to insist upon them to implement the solution at the earliest, lest they be restrained from offering this service to their customers till they implement the solution.

iv. **Telecom Security Policy:**

**Issue:** A news item appeared that Government is planning to issue a comprehensive Telecom Security Policy, wherein emphasis will be laid on enhancing the domestic manufacturing and security testing of telecom equipment. It is also highlighted that India should have strong Telecom Security Policy keeping in view dangers of cyber attacks and China factor.

**Brief:** It is correct that draft Telecom Security Policy has been prepared to take a longer and strategic look at the issues related to telecom security, which include above these two areas. The policy has been considered by the Telecom Commission and it was decided that the policy may be sent to National Information Board (NIB). The draft Policy was sent to NIB in February 2013 and the comments of NIB are awaited. After incorporating the comments of NIB, the Telecom Security Policy will be placed before the Telecom Commission before it is sent to the CCS for final approval.

v. **Issue of Universal License:**

**Issue:** News item appears, sometimes based on the part information, on the features of the UL.

**Brief:** UL has been finalized. M &A guidelines are also being considered.

vi. **3G Intra- Circle Roaming:**

**Issue:** DOT has declared 3 Intra circle roaming agreement as illegal and penalty notices have been issued. Service providers have also been asked to stop the services offered based on this intra-circle roaming agreement.

**Brief:** It is correct that current position of DOT is that intra-circle roaming agreement in respect of 3G services are illegal and notices have been issued to the service providers; both recipient and donor service providers. Penalty notice has also been issued. The case of 3G Intra-Circle Roaming is in the Hon'ble Supreme Court and future course of action may depend upon decision of the Hon'ble Supreme Court.

vii. ***ILD Services without proper licenses:***

**Issue:** *Some foreign ILD service providers who did not have the ILD license were found to be providing ILD services to some of the Indian customers allegedly in connivance with Indian ILD operators. This besides being illegal, results in loss of license fee to the Government. Government has issued penalty notices to these service providers.*

**Brief:** Yes, it is correct that a few foreign companies provided ILD services to the Indian customers without having ILD licenses in India, allegedly in connivance with some of the Indian ILD operators. The case was investigated and some actions and penalties were recommended against the companies who have provided the ILD services without license and also against the ILD operators. However, the report was not approved by Telecom Commission and it asked DOT to decide it at its own as it does not merit the intervention Telecom Commission, not being a Policy decision. Now, the matter has been referred to another Committee of DOT officers for suggesting future course of action.

viii. ***Penalty for providing Subscriber Local Dialing (SLD) facility***

**Issue:** *Bharti has protested against heavy penalty levied on it for providing SLD service, which helped its customers to avail roaming facility in other service areas at low cost during 2002-2005. As per news item Bharti has stated that this penalty is disproportionate to their act of commission as they earned only Rs.16 lakhs from this service, even if it is a violation, although they consider it to be as per license terms and conditions.*

**Brief:** M/s Bharti had provided subscriber local dialing service (SLD) to its subscriber in 2003 and was directed to stop such service. Despite directions of the Department, service was not stopped by M/s Bharti. Therefore, Department has proceeded against the company for the violations and imposed a penalty of Rs. 50 crore in each of the service areas. As the violation was in 13 service areas, the total penalty amounts to Rs 650 crores.



**ix) Substantial Equity in Telecom**

*Issue: Recently in the newspaper the substantial equity clause was highlighted.*

**Brief:** It is proposed to have following formulation in respect of substantial clause:

*“In the event of holding/obtaining Access spectrum, no licensee or its promoter(s) directly or indirectly shall have any beneficial interest in another licensee company holding “Access Spectrum” in the same service area.*

*For the purpose of this clause:*

- (a) Promoter shall mean legal entity other than Central Government, financial institutions and scheduled banks, which hold 10% or more equity in the licensee company.*
- (b) Beneficial interest shall mean holding of any equity directly or indirectly including through chain of companies in the licensee company.*
- (c) Any arrangement contrary to above shall be made consistent with the above stipulations within a period of one year from the date of grant of UL.*
- (d) Exception granted in para 1.4 of UAS licensee in respect of basic and CMTS licenses existing on 11.11.2003 shall end on the expiry of CMTS/UAS/Basic Service license held by such licensee. They shall comply with the above stipulation within a period of one year from the date of migration to UL.”*

This will ensure that:

- (a) The conditions may be made more generic and broad-based. The Competition Act may also be referred in this regard.*
- (b) There should be no direct or indirect equity or any beneficial interest of Licensee Company or its promoter in other licensee company for same service in the same service area.*
- (c) While defining beneficial interest, funding arrangements entered into with the Banks and financial institutions may not be included as they are funding the entire sector.*

**x) Free Roaming:**

*Issue: TRAI recommendation on roaming appeared in news, where TRAI has not recommended complete free roaming as envisaged in NTP 2012.*

**Brief:**

In the tariff order dated 17 June 2013, TRAI has reduced ceilings for national roaming calls and SMS and instituted a new regime for providing flexibility to telecom service providers to customize tariffs for national roamers through STVs and Combo Vouchers. TRAI has also mandated two times of free national

roaming plans to be provided by all telecom service providers. These changes have come into effect from 1<sup>st</sup> July 2013.

The present exercise to review national roaming tariffs was initiated by TRAI earlier this year in the context of decline in costs and the declared intent in the New Telecom Policy-2012 to move towards One Nation-Free Roaming throughout the country.

The ceiling tariffs prescribed by TRAI in the year 2007 were Rs. 1.40 per minute for outgoing local calls and Rs. 2.40 per minute for outgoing STD calls while on national roaming. These ceilings have been reduced to Rs. 1.00 per minute and Rs 1.50 per minute respectively. Similarly, the ceiling tariffs for incoming calls while on national roaming have been reduced from Rs. 1.75 per minute to Rs. 0.75 per minute. Tariffs for outgoing SMS while on national roaming which were earlier under forbearance have now been capped: outgoing SMS-local at Rs 1.00 per SMS and outgoing SMS-STD at Rs. 1.50 per SMS. Incoming SMS will remain free of charge.

All subscribers will benefit from the reduced ceilings: competitive pricing below the new ceiling levels is expected. The provision for STVs and Combo Vouchers as well as special tariff plans for roaming tariff will allow the service providers to cater to the specific roaming needs of different customer segments. The new regime provides reduced ceilings and free roaming facilities for roamers without impacting customers who do not use the roaming facility.

***xi) Effect of EMF Radiation on health and penalty for non-compliance of instructions related to EMF:***

***Issue:*** Reports have appeared in newspaper both about harmful effect of EMF radiations and the penalties for non-complying with the instructions issued by DoT in respect of EMF Radiations.

***Brief:*** In order to build public confidence, the Government has already reduced the EMF norms by 1/10<sup>th</sup> of the ICNRP guidelines from 01.09.2012. The TERM Cells of DoT are also sample auditing the towers to check whether these towers are complying with the



norms or not. So far TERM cells have checked about 60,000 BTSes. In case of non-compliance, penalty of Rs 5 lakh per BTSs, per operator is levied. So far about 13 cases involving about 77 BTSes have been detected and penalty of Rs 3.7 crores have been imposed on this account.

The Telecom Service Providers are also required to submit a self-certificate that each tower complies with the radiation limits. In case of non-submission of self-certificate also penalties are imposed. The current rate of penalty for not submitting self-certificate is also Rs 5 lakh. As the Service Providers had not submitted the self-certificate for large number of BTSes, particularly in the first cycle of submission that ended on 31.3.2011, the penalty of about Rs.2,700 crores has been imposed on this account. The Telecom Service Providers have been stating that they were not able to submit the self-certificate because the instructions were not clear. They have also been stating that penalty of Rs.5 lakh for not submitting the self-certificate, which is only a procedural lapse and not actual violation of norms, is too severe. A penalty for procedural lapses should be proportionate to the lapse and these penalties should be rationalized by DoT.

#### *xii) Subscriber Verification*

*Issue: Subscriber verification and penalty on not verifying the subscriber also has appeared in the news sometime in past.*

*Brief: Subscriber verification is done by TERM cells on DOT with a sample size of 0.1% every month. So far about 2.7 crores subscriber forms have been verified by TERM cells and penalty of about Rs 3,000 crores imposed. This penalty is being recalculated after the TDSAT judgement. Now the actual penalty amount may be around Rs 500 crores. It is under finalization by various TERM cells. In order to make the subscriber verification process more stringent new guidelines have been issued on 09<sup>th</sup> Oct 2012 in compliance to the judgement of Hon'ble Supreme Court in a PIL case.*

#### *xiii) Quality of Service:*

*Issue: It has been reported that TRAI and licensor have not taken action against the poor quality of service. This is based on CAG observations also according to which if the service providers have been adding many subscribers with the same quantum of spectrum when they had started asking for more Spectrum, then either quality of service is poor or operators were trying to corner the Spectrum.*

*Brief:* Taking cognizance of fact that subscriber linked criterion may be misused by operator, Government has already taken a decision to auction the Spectrum. TRAI measures the quality of service against the set parameters and it has generally found it to meet the norms. Service providers can add more subscribers with the same Spectrum by deploying more infrastructure, better network planning, different technologies etc and still maintain the quality of service. However, TRAI would be asked to look into quality aspect afresh. DOT would also look in it. In a free and liberalized economy, the best assurance of quality, however, is competition. By introducing measures like auction of Spectrum, MNP etc Government has created a healthy competition in the sector.