

Telecommunications

13. India operates one of the largest telecommunication networks in Asia comprising over 23,527 exchanges with a capacity of 226.4 lakh lines and 191.3 lakh working connections as on November 30, 1998. A switching capacity of 35.19 lakh lines was added during 1997-98, 13 per cent more than 1996-97. About 16 per cent of the total capacity was added in four metro cities, *i.e.*, Delhi, Mumbai, Calcutta and Chennai during 1997-98. The annual growth rate of providing new connections has been increasing steadily. The number of new connections provided during 1997-98 were 32.59 lakh. A Trunk Automatic Exchange (TAX) capacity of 3,14,300 lines, 17,995 Route Kilometers (RKMs) of Microwave and 23,822 RKMs of Optical Fibre were added during 1997-98.

14. The National Telecom Policy envisages the provision of one Public Call Office (PCO) for every 500 persons in the urban areas. As on 30.09.98, 4.63 lakh PCOs are working all over the country. The present PCO-population ratio is one PCO for 529 persons of urban population on an all-India average basis.

15. According to the National Telecom Policy (NTP), 1994, one Village Public Telephone (VPT) in every village of the country was to be provided by 1997. This target has since been rescheduled and is now envisaged to be completed by the end of the Ninth Plan. Accomplishment of this task is the responsibility of both the Department of Telecommunications (DoT) as well as the licensed private operating companies. As per the terms of the license agreement, private operating companies are to provide a minimum of 10 per cent Direct Exchange Lines (DELs) as Village Public Telephones (VPTs). Out of the total 6.07 lakh villages in the country, 3.04 lakh villages have been provided with public telephones by the end of March 1998. During 1997-98, a total of 35,750 villages were provided with telephone facilities, and in the current year, it has been proposed to provide 45,000 VPTs.

16. With the deregulation of the economy since July 1991, the entire telecom equipment manufacturing industry has been delicensed and dereserved. Telecom equipment production increased to Rs.9,960 crore in 1997-98 from Rs.8,300 crore in 1996-97 and telecom exports increased to Rs. 2,840 crore in 1997-98 from Rs.1,967 crore in 1996-97.

17. With a view to supplementing the efforts of the DoT in providing basic telephone services, companies registered in India are being licensed to install, operate and maintain these services. Six companies have till date, signed the License Agreement with the Government for providing basic telephone facilities in Andhra Pradesh, Gujarat, Maharashtra, Madhya Pradesh, Rajasthan and Punjab. Commercial services by private operators have commenced in the Madhya Pradesh and Maharashtra Circles.

18. For Cellular Mobile Telephone Services, 8 licenses were issued in November, 1994 for four metro cities. All the 8 licensees have started commercial services. The total number of subscribers in the four metro cities are about 5.22 lakh as on 30.6.98. Moreover, 34 licenses have been issued to 14 companies since December 1995 for cellular mobile telephone services in 18 Territorial Telecom Circles. Services have commenced in selected cities in 17 circles with about 4.05 lakh subscribers as on 30.6.98. A number of other Value Added Services have also been franchised to various private/public Indian registered companies on a non-exclusive basis.

19. The National Task Force on Information Technology and Software Development has given a number of recommendations relating to telecommunications. This includes the provision of Internet access nodes to be opened by DoT and authorised Internet Service Provider (ISPs) at all district headquarters and local charging areas by 26.01.2000. Moreover, Internet access will be made available to the nearest Internet node on local call rates, progressively from 15.08.1998.

20. The new Internet Service provider (ISP) policy was announced on November 6, 1998. This incorporates all the recommendations of the National Task Force on Information Technology viz. no license fee for the first 5 years and a nominal license fee of Rupee 1 after 5 years; permission to set up International Gateways after obtaining security clearance; permission to Railways, State Electricity Boards and National Power Grid Corporations to lease excess/spare capacity for data transmission; access to the Internet through authorised Cable TV; and permission for the last mile linkage by Fibre Optics or Radio Communications etc. An Inter-Ministerial Committee has also been set up for monitoring of communications and

according security clearance to proposals for setting up of International Gateways. After the announcement of the policy, 47 licenses have been issued.

21. The Telecom Regulatory Authority of India (TRAI) has contributed significantly on a number of key issues relating to the development of telecommunications and on the issues faced by private telecom operators. TRAI, in its second year of functioning, has issued two Consultation Papers on Telecom pricing, one in November,

1997 and the other in September, 1998. The TRAI is holding Open House Sessions with the consumers, service providers and other organisations to solicit their views on these papers. With the issuance of Consultation Papers on Telecom Pricing and the Quality of Services, TRAI is trying to re-balance the tariff structure in a transparent manner and to ensure that the public get a better quality of service from the service providers. Finalisation of the tariff structure and the quality of service standards are expected to be completed shortly.