

Telecommunications

9.18 In order to effect separation of service providing functions from policy and licensing functions etc., a separate Department of Telecom Services (DTS) has been set up in October, 1999. Department of Telecommunications (DOT) would be concerned with the functions relating to the implementation of treaties and agreements with other countries; policy matters, licensing, coordination, research and development, private investment, administration of laws (Acts), Enquiries and Statistics etc. relating to Telecom; Telecom Commission, Telecom Regulatory Authority of India (TRAI), Indian Telephone Industries (ITI) and Hindustan Teleprinters Ltd. (HTL). DTS will look after the execution of work including purchase and acquisition of land, all matters other than policy and licensing relating to services of telephones, wireless, data, facsimile and telematics, MTNL, C-DOT etc. The Telecom Commission will handle matters relating to the coordination between the DOT and DTS. This will include corporatisation of DTS as India Telecom.

9.19 The telecommunication network including that of MTNL comprises of 25,394 telephone exchanges with a capacity of 272.2 lakh lines and 226.3 lakh working connections as on September 30, 1999. As such, India operates one of the largest telecom networks in Asia. The telecommunication network continued to grow at a rapid pace as a higher switching capacity of 47.9 lakh lines was added in the network in 1998-99 as against 35.2 lakh lines in 1997-98 resulting in an increase of 22.5 per cent in the switching capacity in 1998-99 over the preceding year. The number of new connections provided in 1998-99 was 37.9 lakh as against 32.6 lakh in 1997-98. Similarly, TAX capacity, microwave and optical fibre network was enhanced. 2,06,500 lines of Trunk Automatic Exchange (TAX) capacity, 14,009 Route Kilometers (RKMs) of microwave and 31,771 Route Kilometers of optical fibre were added in 1998-99 over the total TAX capacity of 12,61,500 lines, 72,592 Route Kilometers of microwave and 76,261 Route Kilometers of optical fibre respectively as on March 31, 1998. Efforts to expand the network have been continued in 1999-2000.

9.20 With a view to supplementing the efforts of DTS and to impart more competition in providing the basic telephone services, companies registered in India are being licensed to plan, install, operate and maintain the basic services. Six companies have so far signed the license agreement with the Government for providing basic telephone services in the states of Andhra Pradesh, Gujarat, Maharashtra, Madhya Pradesh, Rajasthan and Punjab.

9.21 The National Telecom Policy (NTP) 1994 had envisaged the objective of one public call office (PCO) for every 500 persons in the urban areas. As on September 30, 1999, 5.70 lakh PCOs were working all over the country. The present PCO-Population ratio at the national level is 1:453 for urban areas on all-India average basis. Further, as per the National Telecom Policy (NTP), every village is to be provided with one public telephone. This target has now been rescheduled and expected to be completed by the end of 9th Five-Year Plan. Accomplishment of this task is the responsibility of both the DTS as well as the licensed private operating companies. As per the terms of the license agreement, private operators have to provide a minimum of 10 per cent Direct Exchange Lines (DELs) as village public telephones (VPTs). Out of 6.07 lakh villages in the country, 3.43 lakh villages have been provided with public telephones by the end of September 1999. During 1998-99, a total of 37,058 villages were provided with telephone facility and during the current year 1999-2000, it is proposed to provide 45,000 VPTs.

9.22 In November 1994, 8 licenses were issued for Cellular Mobile Telephone service in 4 metro cities. Further 34 licenses to 14 companies for 18 telecom circles were issued since December, 1995. The service has since been started in all the 4 metro cities and selected cities in 18 Telecom Circles. There were about 13.5 lakh cellular mobile telephone customers in the country as on September 30, 1999.

9.23 A number of other value added services viz. Voice-mail/Audio-Text, E-mail, V-SAT, Radio Paging etc. have also been franchised to various private/public Indian registered companies on non-exclusive basis.

9.24 In terms of National Telecom Policy (NTP)

1999 and subsequent Government approval on March 26, 1999, a Package for Migration from fixed license fee to revenue sharing under New Telecom Policy was offered on July 22, 1999 to the existing Cellular and Basic Service Providers, which has been accepted by most of them. An amount of Rs.178 crore has been realized after August 16, 1999 consequent to the payment made by the operators against the demand raised for paying 35 per cent of the outstanding license fee dues for migration to NTP 1999. An additional amount of Rs.1580 crore is expected to be received by January 31, 2000. However, a public interest petition challenging the migration policy was filed in the Hon'ble Delhi High Court. The Court issued an interim orders dated August 10, 1999 allowing the Government to permit migration in terms of the migration package subject to the approval of the new Council of Ministers and disapproval if any, by the new Lok Sabha. In terms of this order, the Cabinet again considered the matter on October 21, 1999 and approved the policy of migration. License of MTNL was also amended and permission for operation of technology neutral Cellular Mobile Telephone service in Delhi and Mumbai was granted As per New Telecom Policy, 1999, Telecom Commission has also decided that

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MTNL will start the Cellular Mobile Telephone Service. Accordingly, the Cellular Mobile Telephone Service is being introduced by Department of Telecom Services (DTS) initially as a pilot project in three telecom circles viz. Andhra Pradesh, Tamil Nadu and Bihar, covering 17 cities.

9.25 Interconnectivity of network for data transmission has been permitted as per the recommendations of the National Task Force on Information Technology and Software Development. An integrated computerized customer service package for commercial, directory enquiry and telephone billing and accounting has been implemented in 14 Telecom Districts in its first phase in the current year. The fault repair service has also been included in the software. This will help in delivery of customer service on single window concept with a single integrated database. The entire telecom sector has been made Y2K compliant. This includes all PSUs of DOT/DTS viz. MTNL,

VSNL, ITI, HTL and TCIL and also other private telecom operators.

9.26 Licenses to 187 Internet Service Providers (ISPs) have been issued. An Inter-Ministerial Committee has finalized the guideline for setting up the International Gateway by ISPs. Accordingly, applications have been invited from ISPs for setting up of International Gateway and the same have been processed. The opening up of Ku-band for V-SAT operation is being finalized and the recommendations of the TRAI are awaited on this matter. DOT has also provided access to the nearest Internet node on local call basis, progressively from August 15, 1999 throughout India except for Andaman & Nicobar Islands and Leh due to problem of technical feasibility. It has been decided to set up Internet access node at every secondary switching area by January 26, 2000 as per the recommendations of the National Task Force on Information Technology and Software Development.

9.27 With the deregulation of the economy since July 1991, the entire telecom equipment manufacturing industry has been de-licensed and de-reserved. The value of equipment production increased to Rs.10,625 crore (provisional) in 1998-99 from Rs. 9,960 crore in 1997-98. The telecom exports also increased to Rs. 2,909 crore in 1998-99 from Rs. 2,840 crore in 1997-98.

9.28 Consequent to the change in the tariff revision announced by Telecom Regulatory Authority of India (TRAI), the DOT as a service provider (now DTS), adopted the tariff with some modifications. The tariff in respect of rural subscribers and low calling urban subscribers were retained at the level prevailing prior to the notification. In addition, the subscribers got the benefit of reduction in STD/ISD rates as announced by TRAI. It was estimated that the combined effect of these revisions would entail significant a net reduction in DOT's revenue in the current year. TRAI was, therefore, requested to rework the tariffs for the next two years, keeping in view the negative impact on the revenues of Telecom operators.

9.29 TRAI has been reconstituted through an ordinance. Clear distinction has been made between the recommendatory and regulatory

functions of the Authority. It is now mandatory for government to seek recommendations of TRAI in respect of matters dealing with need and timing for introduction of new service providers and the terms and conditions of license to a service provider. Composition of TRAI has been changed, and the Authority will now consist of a chairperson, and not more than two whole time members and not more than two part-time members to be appointed

by the Government. A separate disputes redressal body known as "Telecom Disputes Settlement and Appellate Tribunal" has been set up to adjudicate any dispute between a licensor and a licensee, between two or more service providers, between a service provider and a group of consumers, and to hear and dispose of appeals against any decision or order of TRAI.