

TELECOM REGULATORY AUTHORITY OF INDIA

Press Release No. 28/2006

March 20, 2006

Recommendations on Issues Relating to Convergence and Competition in Broadcasting and Telecommunications

TRAI today released its Recommendations on Issues Relating to Convergence and Competition in Broadcasting & Telecommunications. Convergence of technologies is rapidly blurring the boundaries between telecommunications and broadcasting. It is necessary for the legal and regulatory framework to adapt to this convergence and actively promote such convergence. This would also help in facilitating competition.

2. The Authority has so far tried to meet the challenges of convergence by making recommendations for a unified licensing regime. It is, however, clear that to reap the full benefits of convergence, it would be necessary to go beyond unified licensing. Accordingly, the Authority has made recommendations on a number of steps to promote convergence and competition in broadcasting and telecommunications.

3. The salient features of these recommendations are as follows:-

- There should be converged regulatory regime. The starting point for this exercise should be the Communications Convergence Bill, 2001.
- However, several changes need to be made in this Bill. Content regulation should be kept out of the purview of the converged regulator. The division of powers between the Government, TDSAT and TRAI should also broadly correspond to what is presently the position.
- The unified licensing recommendations already sent to Government, should be approved at the earliest. However, there should be reduction in the entry fee to reflect the changes made in the entry fee for NLD/ILD licence. Thus, this entry fee should come down to Rs.5 crores as against Rs.107 crores recommended earlier and this

should further reduce to Rs.30 lacs after 5 years as already recommended.

- There should be greater flexibility in spectrum allocation to take full advantage of new services and new technologies for existing services that may evolve with time.
- The Authority has also made a number of recommendations based on the Report of the Committee constituted under the aegis of TRAI along with other stakeholders to suggest ways and means to promote broadband based services over cable TV networks. These recommendations cover the following areas:-
 - Rationalisation of Differential Custom Duty Regime.
 - Restriction on use of Protocols
 - Institutional funding
 - FDI Limits
 - Right of Way

These recommendations are available on TRAI's website www.trai.gov.in