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<u>For Immediate Release</u>

<u>Telecom Regulatory Authority of India</u>

TRAI releases Recommendations on "Delivering Broadband Quickly: What do we need to do?"

New Delhi, 17th April, 2015 – The Telecom Regulatory Authority of India (TRAI) has today issued its Recommendations on **"Delivering Broadband Quickly: What do we need to do?".**

2.   The Authority issued the Consultation Paper on "Delivering Broadband Quickly: What do we need to do?" on 24.09.2014 to discuss issues contributing to broadband penetration in India and to solicit stakeholders' views on action required to be taken both by the Government and the private sector to accelerate the proliferation and use of broadband in the country. The comments and counter-comments received from the stakeholders were placed on the TRAI's website. An Open House Discussion was held on 30.10.2014 in New Delhi with the stakeholders.

3.   The Authority has noted with serious concern the slow penetration and adoption of broadband in the country. Facts are:

- India ranks 125th in the world for fixed broadband penetration with only 1.2 per 100 inhabitants having access to fixed broadband; the global average is 9.4 per 100 inhabitants.

- In terms of household penetration within developing countries, India is ranked 75th with a penetration of 13%.

- In the wireless broadband space too, India is ranked 113th with a penetration of 3.2 per 100 inhabitants.

- In terms of 'ICT access, ICT use and ICT skills' India ranks 129th out of total 166 countries. Indonesia (106), Sri Lanka (116), Sudan (122), Bhutan (123), Kenya (124) are ranked above India.

- India is categorized in the Least Connected Countries Group of 42 countries that fall within the low IDI group.

4. Some of the problems identified during the consultation are as follows:

- RoW charges were identified as single biggest impediment to the adoption of wireline technology for access networks.

- The lack of availability of a sufficient quantum of globally harmonized spectrum in contiguous form is the biggest impediment to the deployment of wireless technology in the access network.

- Another reason for poor quality of broadband is non-availability of adequate bandwidth in the backhaul.

- Civic authorities have imposed stringent punishment on the erection of towers.

- Procurement of satellite capacity on foreign satellites through Department of Space (DoS) often results in long delay and increase in prices due to some process flaws.

- BBNL, the organisation for implementing National Optical Fibre Network (NOFN) project, is a multi-layered structure with the control vesting in the Government, the decision making process is stymied by the normal bureaucratic process (red tape).

- In BBNL, at the delivery and implementation stage, the responsibilities are diffused with far too many executing and supervising agencies.

- There is a disconnect between the agency (BBNL) for implementation of the project and stakeholders including private operators who shall ultimately utilize the fibre for provision of broadband to the consumer. This has practically rendered BBNL dysfunctional, defeating the very purpose for which it was set up – to make independent and quick decisions.

5. After considering the comments from the stakeholders and further analysis, the Authority has come out with its Recommendations on "Delivering Broadband Quickly: What do we need to do?". The salient features of the recommendations are as follows:

Institutional revamping

- WPC should be converted into an independent body by de-linking it from the present DoT hierarchy and either converting it into a

statutory body responsible to Parliament or transferring it to an existing statutory body. Even in a more limited role of assigning solely commercially available spectrum, there is a strong case for an institutional overhaul of WPC to realize goals of institutional efficiency, transparency in decision-making and full disclosure of decisions.

- The multi-layered structure for decision making for national project NOFN is just not suitable for a project that needs to be executed in mission-mode. The structure needs immediate overhaul.

Spectrum

- Align spectrum bands with globally harmonized bands to achieve interference-free coexistence and economies of scale. Current availability of spectrum in our LSAs is about 40% of that available in comparable countries elsewhere. Clearly, there is a crying need for assignment of additional spectrum for commercial telecom services.

- There is a need to lay down a clear roadmap for spectrum management which should state the requirement and availability of spectrum for each LSA as well as for the whole country. This roadmap should be made available publicly to ensure transparency.

- There is an urgent need for audit by an independent agency of all allocated spectrum both commercial as well as spectrum allocated to various PSUs/Government organizations. This ought to be a national priority and must be undertaken within 3 months.

Right of Way (RoW)

- Single-window clearance is an imperative for all (Right of Way) RoW proposals at the level of the States and in the Central Government. All such clearances have to be time-bound so that TSPs and infrastructure providers can move rapidly to project execution. Ideally, single-window clearance should be administered online with a defined turnaround time. The reasons for denial of RoW permission should be recorded in writing.

- There is a need for enunciating a National RoW Policy to ensure uniformity in costs and processes.

NOFN

- Project implementation on Centre State Public-Private Partnership (CSPPP) mode by involving State Governments and the private sector.

- Award of EPC (turnkey) contracts by BBNL to private parties through international competitive bidding needs to be planned. Such contracts can be given region-wise with clear requirements for interconnection with other networks, as well as infrastructure sharing with other operators who would like to utilize this network. A commercial model around this will need to be suitably deployed.

Towers

- Single-window, time-bound clearance should be encouraged for installation of towers to ensure the rapid development of national networks.

- Extensive consumer awareness and education programmes should be organized so that consumers fully understand the latest scientific information on EMF radiation and its potential impact on health.

Fixed line BB

- To promote fixed line BB, the license fee on the revenues earned from fixed line BB should be exempted for at least 5 years.

- The infrastructure of PSUs is lying unutilized and thus they should be mandated to unbundle their network and allow sharing of outside plant (OSP).

CATV

- Cable operators should be allowed to function as resellers of ISP license holders to enable them to take advantage of their cable network to provide BB.

- Implementation of digitization of cable services to tier 2 and tier 3 cities in a time-bound manner.

Satellite

- Separation of Licensor, Regulator and Operator functions in the satellite space domain to conform to best international practices of free markets.

- The issue of coordination of additional spectrum in the 2500-2690 MHz band with DoS needs to be addressed urgently, so that this band can be optimally utilized for commercial as well as strategic purposes.

Hosting of Content in India

- The Government needs to encourage local and foreign companies to build 'Data Centre Parks' on the lines of industrial parks, SEZs etc. by providing them land, infrastructure and uninterrupted power supply at affordable rates.

Universal Adoption

- Governments, both Central and State shall have to act as model users and anchor tenants through delivery of e-Government services including e-education, e-governance, m-health, m-banking and other such services.

- Schools are the ideal and convenient point for early initiation to BB services. Government schools in the rural and remote areas can be provided subsidy from the USOF for BB connectivity.

- Cost of CPE (desktop/laptop/tabs etc.) are major barriers to the adoption of BB services. TSPs may be allowed to offer CPE bundled tariff schemes. Revenues from such offers ought to be exempted from the applicable license fee at least for a certain number of years (say for three years).

6. In addition, there are a large number of recommendations of the Authority on which decisions of the Government are still awaited. The Government needs to act quickly on these recommendations as we have already lost too much time. These include, inter alia, on Spectrum Trading, Spectrum Sharing, Open Sky Policy, Infrastructure Sharing, Microwave Access and Backbone Spectrum.

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