

## **New Telecom Policy, 1999**

### **1.1 Importance of Telecommunications**

The Government of India (Government) recognizes that provision of world class telecommunications infrastructure and information is the key to rapid economic and social development of the country. It is critical not only for the development of the Information Technology industry, but also has widespread ramifications on the entire economy of the country. It is also anticipated that going forward, a major part of the GDP of the country would be contributed by this sector. Accordingly, it is of vital importance to the country that there be a comprehensive and forward looking telecommunications policy which creates an enabling framework for development of this industry.

### **1.2 National Telecom Policy - objectives and achievements**

In 1994, the Government announced the National Telecom Policy which defined certain important objectives, including availability of telephone on demand, provision of world class services at reasonable prices, ensuring India's emergence as major manufacturing / export base of telecom equipment and universal availability of basic telecom services to all villages. It also announced a series of specific targets to be achieved by 1997. As against the NTP 1994 target of provision of 1 PCO per 500 urban population and coverage of all 6 lac villages, DoT has achieved an urban PCO penetration of 1 PCO per 522 and has been able to provide telephone coverage to only 3.1 lac villages. As regards provision of total telephone lines in the country, DoT has provided 8.73 million telephone lines against the eighth plan target of 7.5 million lines.

NTP 1994 also recognized that the required resources for achieving these targets would not be available only out of Government sources and concluded that private investment and involvement of the private sector was required to bridge the resource gap. The Government invited private sector participation in a phased manner from the early nineties, initially for value added services such as Paging Services and Cellular Mobile Telephone Services (CMTS) and thereafter for Fixed Telephone Services (FTS). After a competitive bidding process, licenses were awarded to 8 CMTS operators in the four metros, 14 CMTS operators in 18 state circles, 6 BTS operators in 6 state circles and to paging operators in 27 cities and 18 state circles. VSAT services were liberalised for providing data services to closed user groups. Licences were issued to 14 operators in the private sector out of which only nine licencees are operational. The Government has recently announced the policy for Internet Service Provision (ISP) by private operators and has commenced licensing of the same. The Government has also announced opening up of Global Mobile Personal Communications by Satellite (GMPCS) and has issued one provisional license. Issue of licenses to other prospective GMPCS operators is under consideration.

The Government recognises that the result of the privatisation has so far not been entirely satisfactory. While there has been a rapid rollout of cellular mobile networks in the metros and states with currently over 1 million subscribers, most of the projects today are facing problems. The main reason, according to the cellular and basic operators, has been the fact that the actual revenues realised by these projects have been far short of the projections and the operators are unable to arrange financing for their projects

and therefore complete their projects. Basic telecom services by private operators have only just commenced in a limited way in two of the six circles where licenses were awarded. As a result, some of the targets as envisaged in the objectives of the NTP 1994 have remained unfulfilled. The private sector entry has been slower than what was envisaged in the NTP 1994.

The government views the above developments with concern as it would adversely affect the further development of the sector and recognises the need to take a fresh look at the policy framework for this sector.

Click here to read [National Telecom Policy 1994](#)

### **1.3 Need for a new telecom policy**

In addition to some of the objectives of NTP 1994 not being fulfilled, there have also been far reaching developments in the recent past in the telecom, IT, consumer electronics and media industries world-wide. Convergence of both markets and technologies is a reality that is forcing realignment of the industry. At one level, telephone and broadcasting industries are entering each other's markets, while at another level, technology is blurring the difference between different conduit systems such as wireline and wireless. As in the case of most countries, separate licences have been issued in our country for basic, cellular, ISP, satellite and cable TV operators each with separate industry structure, terms of entry and varying requirement to create infrastructure. However this convergence now allows operators to use their facilities to deliver some services reserved for other operators, necessitating a relook into the existing policy framework. The new telecom policy framework is also required to facilitate India's vision of becoming an IT superpower and develop a world class telecom infrastructure in the country.

## **2.0 Objectives and targets of the New Telecom Policy 1999**

The objectives of the NTP 1999 are as under:

- Access to telecommunications is of utmost importance for achievement of the country's social and economic goals. Availability of affordable and effective communications for the citizens is at the core of the vision and goal of the telecom policy. Strive to provide a balance between the provision of universal service to all uncovered areas, including the rural areas, and the provision of high-level services capable of meeting the needs of the country's economy; Encourage development of telecommunication facilities in remote, hilly and tribal areas of the country;
- Create a modern and efficient telecommunications infrastructure taking into account the convergence of IT, media, telecom and consumer electronics and thereby propel India into becoming an IT superpower;
- Convert PCO's, wherever justified, into Public Teleinfo centres having multimedia capability like ISDN services, remote database access, government and community information systems etc.
- Transform in a time bound manner, the telecommunications sector to a greater competitive environment in both urban and rural areas providing equal opportunities and level playing field for all players;

- Strengthen research and development efforts in the country and provide an impetus to build world-class manufacturing capabilities
- Achieve efficiency and transparency in spectrum management
- Protect the defence & security interests of the country
- Enable Indian Telecom Companies to become truly global players.

In line with the above objectives, the specific targets that the NTP 1999 seeks to achieve would be:

- Make available telephone on demand by the year 2002 and sustain it thereafter so as to achieve a teledensity of 7 by the year 2005 and 15 by the year 2010
- Encourage development of telecom in rural areas making it more affordable by suitable tariff structure and making rural communication mandatory for all fixed service providers Increase rural teledensity from the current level of 0.4 to 4 by the year 2010 and provide reliable transmission media in all rural areas
- Achieve telecom coverage of all villages in the country and provide reliable media to all exchanges by the year 2002
- Provide Internet access to all district head quarters by the year 2000
- Provide high speed data and multimedia capability using technologies including ISDN to all towns with a population greater than 2 lac by the year 2002

### **3.0 New Policy Framework**

The New Policy Framework must focus on creating an environment, which enables continued attraction of investment in the sector and allows creation of communication infrastructure by leveraging on technological development. Towards this end, the New Policy Framework would look at the telecom service sector as follows '

- Cellular Mobile Service Providers, Fixed Service Providers and Cable Service Providers, collectively referred to as 'Access Providers'
- Radio Paging Service Providers
- Public Mobile Radio Trunking Service Providers
- National Long Distance Operators
- International Long Distance Operators
- Other Service Providers
- Global Mobile Personal Communication by Satellite (GMPCS) Service Providers
- V-SAT based Service Providers

### **3.1 Access Providers**

#### **3.1.1 Cellular Mobile Service Providers**

The Cellular Mobile Service Providers (CMSP) shall be permitted to provide mobile telephony services including permission to carry its own long distance traffic within their service area without seeking an additional licence. Direct interconnectivity between licenced CMSP's and any other type of service provider (including another CMSP) in their area of operation including sharing of infrastructure with any other type of service provider shall be permitted. Interconnectivity between service providers in different

service areas shall be reviewed in consultation with TRAI and the same would be announced by August 15, 1999 as a part of the structure for opening up national long distance. The CMSP shall be allowed to directly interconnect with the VSNL after opening of national long distance from January 1, 2000. The CMSP shall be free to provide, in its service area of operation, all types of mobile services including voice and non-voice messages, data services and PCOs utilizing any type of network equipment, including circuit and/or packet switches, that meet the relevant International Telecommunication Union (ITU) / Telecommunication Engineering Center (TEC) standards.

CMSP would be granted separate licence, for each service area. Licences would be awarded for an initial period of twenty years and would be extendible by additional periods of ten years thereafter. For this purpose, service areas would be categorized into the four metro circles and Telecom circles as per the existing policy. CMSP would be eligible to obtain licences for any number of service areas.

Availability of adequate frequency spectrum is essential not only for providing optimal bandwidth to every operator but also for entry of additional operators. Based on the immediately available frequency spectrum band, apart from the two private operators already licenced, DOT / MTNL would be licenced to be the third operator in each service area in case they want to enter, in a time bound manner. In order to ensure level playing field between different service providers in similar situations, licence fee would be payable by DoT also. However, as DoT is the national service provider having immense rural and social obligations, the Government will reimburse full licence fee to the DoT.

It is proposed to review the spectrum utilisation from time to time keeping in view the emerging scenario of spectrum availability, optimal use of spectrum, requirements of market, competition and other interest of public. The entry of more operators in a service area shall be based on the recommendation of the TRAI who will review this as required and no later than every two years.

CMSP operators would be required to pay a one time entry fee. The basis for determining the entry fee and the basis for selection of additional operators would be recommended by the TRAI. Apart from the one time entry fee, CMSP operators would also be required to pay licence fee based on a revenue share. It is proposed that the appropriate level of entry fee and percentage of revenue share arrangement for different service areas would be recommended by TRAI in a time-bound manner, keeping in view the objectives of the New Telecom Policy.

### **3.1.2 Fixed Service Providers**

The Fixed Service Providers (FSP) shall be freely permitted to establish 'last mile' linkages to provide fixed services and carry long distance traffic within their service area without seeking an additional licence. Direct interconnectivity between FSP's and any other type of service provider (including another FSP) in their area of operation and sharing of infrastructure with any other type of service provider shall be permitted. Interconnectivity between service providers in different service areas shall be reviewed in consultation with TRAI and the same would be announced by August 15, 1999 as a part of the structure for opening up of national long distance. The FSP shall be allowed to directly interconnect with the VSNL after the opening up of national long distance from January 1, 2000. The FSP may also utilize last mile linkages or transmission links within its service area made available by other service providers. The FSP

shall be free to provide, in his service area of operation, all types of fixed services including voice and non-voice messages and data services, utilizing any type of network equipment, including circuit and/or packet switches, that meet the relevant International Telecommunication Union (ITU) / Telecommunication Engineering Center (TEC) standards.

The FSP shall be granted separate licence, on a non-exclusive basis, for each service area of operation. Licences would be awarded for an initial period of twenty years which shall be extended by additional periods of ten years thereafter. The FSPs shall be eligible to obtain licences for any number of service areas.

While market forces will ultimately determine the number of fixed service providers, during transition, number of entrants have to be carefully decided to eliminate non-serious players and allow new entrants to establish themselves. Therefore, the option of entry of multiple operators for a period of five years for the service areas where no licences have been issued is adopted. The number of players and their mode of selection will be recommended by TRAI in a time-bound manner.

The FSP licencees would be required to pay a one time entry fee. All FSP licencees shall pay licence fee in the form of a revenue share. It is proposed that the appropriate level of entry fee and percentage of revenue share and basis for selection of new operators for different service areas of operation would be recommended by TRAI in a time-bound manner, keeping in view the objectives of the New Telecom Policy.

As in the case for cellular, for WLL also, availability of appropriate frequency spectrum as required is essential not only for providing optimal bandwidth to every operator but also for entry of additional operators. It is proposed to review the spectrum utilisation from time to time keeping in view the emerging scenario of spectrum availability, optimal use of spectrum, requirements of market, competition and other interest of public.

The WLL frequency shall be awarded to the FSPs requiring the same, based on the payment of an additional one time fee over and above the FSP entry fee. The basis for determining the entry fee and the basis for assigning WLL frequency shall be recommended by the TRAI. All FSP operators utilising WLL shall pay a licence fee in the form of a revenue share for spectrum utilization. This percentage of revenue share shall be over and above the percentage payable for the FSP licence. It is proposed that the appropriate level of entry fee and percentage of revenue share for WLL for different service areas of operation will be recommended by TRAI in a time-bound manner, keeping in view the objectives of the New Telecom Policy.

### **3.1.3 Cable Service Providers**

Under the provisions of the Cable Regulation Act, 1995, Cable Service Providers (CSP) shall continue to be freely permitted to provide 'last mile' linkages and switched services within their service areas of operation and operate media services, which are essentially one-way, entertainment related services. Direct interconnectivity between CSP's and any other type of service provider in their area of operation and sharing of infrastructure with any other type of service provider shall be permitted. Interconnectivity between service providers in different service areas shall be reviewed in consultation with TRAI and the same would be announced by August 15, 1999 as a part of the structure for opening up national long distance. In view of convergence, it is highly likely that two-way communication (including voice, data and

information services) through cable network would emerge in a significant way in future. Offering of these services through the cable network would tantamount to providing fixed services. Accordingly, in case the above two-way communication services are to be provided by CSPs utilising their network, they would also be required to obtain an FSP licence and be bound by the licence conditions of the FSPs, with a view to ensure level playing field.

### **3.2 Internet Telephony**

Internet telephony shall not be permitted at this stage. However, Government will continue to monitor the technological innovations and their impact on national development and review this issue at an appropriate time.

### **3.3 Radio Paging Service Providers**

The Radio Paging Service Providers (RPSP) shall be permitted to provide paging services within their service area of operation. Direct interconnectivity between licenced RPSPs and any other type of service provider in their area of operation including sharing of infrastructure shall be permitted. Interconnectivity between service providers in different service areas shall be reviewed in consultation with TRAI and the same would be announced by August 15, 1999 as a part of the structure for opening up of national long distance.

The RPSP shall be granted separate licence, on a non-exclusive basis, for each service area of operation. Licences would be awarded for an initial period of twenty years and will be extended by additional periods of ten years thereafter. For this purpose, the service areas would be categorized as per the existing structure. The RPSP shall be eligible to obtain licences for any number of service areas.

Availability of adequate radio frequency spectrum is essential not only for providing optimal bandwidth to every operator but also for entry of additional operators. It is proposed to review the spectrum utilisation from time to time keeping in view the emerging scenario of spectrum availability, optimal use of spectrum, requirements of market, competition and other interest of public. The entry of more operators in a service area shall be based on the recommendation of the TRAI who would review this as required and no later than every two years..

The radio paging licencees shall pay a one time entry fee. The basis for determining the entry fee and the basis for selection of additional operators will be recommended by the TRAI. All radio paging licencees shall pay licence fee as a revenue share. It is proposed that the appropriate level of entry fee and percentage of revenue share for different service areas of operation will be recommended by TRAI in a time-bound manner, keeping in view the objectives of the New Telecom Policy. Further, TRAI may also examine and recommend the revenue sharing arrangements between RPSP and other access providers, subject to technical feasibility.

### **3.4 Public Mobile Radio Trunking Service Providers**

The Public Mobile Radio Trunking Service Providers (PMRTSP) shall be permitted to provide mobile radio trunking services within their service area of operation. Direct interconnectivity between licenced PMRTSP's and any other type of service provider in their area of operation shall be permitted after examining the legal implications in view of the CMSP licences

The PMRTSP shall be granted separate licence, on a non-exclusive basis, for each service area of operation. Licences would be awarded for an initial period of twenty years and will be extended by

additional periods of ten years thereafter. For this purpose, the service areas would be categorized as per the existing structure. The PMRTSP shall be eligible to obtain licences for any number of service areas. PMRTSP licencees would be required to pay a one time entry fee. The basis for determining the entry fee and the basis for selection of additional operators will be recommended by the TRAI. Apart from the one time entry fee, PMRTSP licencees would also be required to pay licence fee based on a revenue share. It is proposed that the appropriate level of entry fee and percentage of revenue share arrangement for different service areas would be recommended by TRAI in a time-bound manner, keeping in view the objectives of the New Telecom Policy.

### **3.5 National Long Distance Operator**

National long distance service beyond service area to the private operators will be opened for competition with effect from January 1, 2000. To promote setting up long distance bandwidth capacity in the country, provide a choice to consumers and promote competition, all NLDOs should be able to access subscribers. With a view to achieve the above, all access providers shall be mandatorily required to provide interconnection to the NLDOs resulting in choice for subscribers to make long distance calls through any operator. For this purpose, the terms and conditions and other modalities would be worked out in consultation with TRAI and the same will be announced by August 15, 1999. The terms and conditions would also specify the number of operators, licence conditions on revenue sharing basis and other related issues.

Usage of the existing backbone network of public and private power transmission companies / Railways / GAIL, ONGC etc. shall be allowed immediately for national long distance data communication and from January 1, 2000 for national long distance voice communications.

Resale would be permitted for domestic telephony, announcement for the modalities thereof to be announced alongwith the opening up of national long distance by August 15, 1999. Resale on international long distance will not be permitted till the year 2004.

### **3.6 International Long Distance Services**

The subject of opening up of international telephony service to competition will be reviewed by the year 2004.

### **3.7 Other Service Providers**

For applications like tele-banking, tele-medicine, tele-education, tele-trading, e-commerce, other service providers will be allowed to operate by using infrastructure provided by various access providers. No licence fee will be charged but registration for specific services being offered will be required. These service providers will not infringe on the jurisdiction of other access providers and they will not provide switched telephony.

### **3.8 Global Mobile Personal Communication Services**

The Government has opened up the GMPCS market in India and has issued a provisional licence. The terms of the final licence would need to be finalised in consultation with TRAI by June 30, 1999. All the calls originating or terminating in India shall pass through VSNL gateway or in case of bypass, it should

be possible to monitor these calls in the Indian gateways. VSNL is also to be compensated in case gateway is bypassed.

The GMPCS operators shall be free to provide voice and non-voice messages, data service and information services utilising any type of network equipment, including circuit and/or packet switches that meet the relevant International Telecommunication Union (ITU) / Telecommunication Engineering Center (TEC) standards. However, the licences be awarded after the proposals are scrutinised from the security angle by the Government.

The appropriate entry fee/revenue sharing structure would be recommended by TRAI, keeping in view the objectives of the New Telecom Policy.

### **3.9 SATCOM Policy**

The SATCOM Policy shall provide for users to avail of transponder capacity from both domestic / foreign satellites. However, the same has to be in consultation with the Department of Space.

Under the existing ISP policy, international long distance communication for data has been opened up. The gateways for this purpose shall be allowed to use SATCOM.

It has also been decided that Ku frequency band shall be allowed to be used for communication purposes.

#### **3.9.1 VSAT Service Providers**

The VSAT Service Providers shall be granted separate licence, on a non-exclusive basis for an initial period of twenty years and will be extended by additional periods of ten years thereafter. Interconnectivity between service providers in different service areas shall be reviewed in consultation with TRAI and the same would be announced as a part of the structure for opening up national long distance by August 15, 1999.

The VSAT service providers shall be granted separate licence, on a non-exclusive basis. Licences would be awarded for an initial period of twenty years and will be extended by additional periods of ten years thereafter.

VSAT licencees would be required to pay a one time entry fee. The basis for determining the entry fee and the basis for selection of additional operators will be recommended by the TRAI. Apart from the one time entry fee, VSAT licencees would also be required to pay licence fee based on a revenue share. It is proposed that the appropriate level of entry fee and percentage of revenue share arrangement would be recommended by TRAI in a time-bound manner, keeping in view the objectives of the New Telecom Policy.

### **3.10 Electronic Commerce**

On line Electronic Commerce will be encouraged so that information can be passed seamlessly. The requirement to develop adequate bandwidth of the order of 10 Gb on national routes and even terrabits on certain congested important national routes will be immediately addressed to so that growth of IT as well as electronic commerce will not be hampered.

### **3.11 Resolution of problems of existing operators**



The New Policy Framework which seeks to significantly redefine the competitive nature of industry, would be applicable to new licensees.

There are, however, multiple licences that have been issued by the Government for cellular mobile services, basic services, radio paging services, internet services etc. It is the Government's intention to satisfactorily resolve the problems being faced by existing operators in a manner which is consistent with their contractual obligations and is legally tenable.

#### **4.0 Restructuring of DoT**

World-wide, the incumbent, usually the Government owned operator plays a major role in the development of the telecom sector. In India, DoT is responsible for the impressive growth in number of lines from 58.1 lakh on April 1, 1992 to 191 lakh in December 1998, showing a CAGR of 20%. DoT is expected to continue to play an important, and indeed, dominant role in the development of the sector.

Currently, the licensing, policy making and the service provision functions are under a single authority. The Government has decided to separate the policy and licensing functions of DoT from the service provision functions as a precursor to corporatisation. The corporatisation of DoT shall be done keeping in mind the interests of all stakeholders by the year 2001.

All the future relationship (competition, resource raising etc.) of MTNL / VSNL with the corporatised DoT would be based on best commercial principles.

The synergy of MTNL, VSNL and the corporatised DoT would be utilised to open up new vistas for operations in other countries.

#### **5.0 Spectrum Management**

With the proliferation of new technologies and the growing demand for telecommunication services, the demand on spectrum has increased manifold. It is, therefore, essential that spectrum be utilized efficiently, economically, rationally and optimally. There is a need for a transparent process of allocation of frequency spectrum for use by a service and making it available to various users under specific conditions.

The National Frequency Allocation Plan (NFAP) was last established in 1981, and has been modified from time to time since. With the proliferation of new technologies it is essential to revise the NFAP in its entirety so that it could become the basis for development, manufacturing and spectrum utilization activities in the country amongst all users. The NFAP is presently under review and the revised NFAP-2000 would be made public by the end of 1999, detailing information regarding allocation of frequency bands for various services, without including security information. NFAP shall be reviewed no later than every two years and shall be in line with radio regulations of International Telecommunication Union.

Relocation of existing Spectrum and Compensation:

- Considering the growing need of spectrum for communication services, there is a need to make adequate spectrum available
- Appropriate frequency bands have historically been assigned to defence & others and efforts would be made towards relocating them so as to have optimal utilisation of spectrum. Compensation for relocation may be provided out of spectrum fee and revenue share levied by Government.
- There is a need to review the spectrum allocations in a planned manner so that required frequency bands are available to the service providers.

There is a need to have a transparent process of allocation of frequency spectrum which is effective and efficient. This would be examined further in the light of ITU guidelines. For the present, the following course of action shall be adopted.

- Spectrum usage fee shall be charged.
- Setting up an empowered Inter-Ministerial Group to be called as Wireless Planning Coordination Committee (WPCC) as part of the Ministry of Communications for periodical review of spectrum availability and broad allocation policy.
- Massive computerisation in the WPC Wing will be started during the next three months' time so as to achieve the objective of making all operations completely computerised by the end of year 2000.

## **6.0 Universal Service obligation**

The Government is committed to provide access to all people for basic telecom services at affordable and reasonable prices. The Government seeks to achieve the following universal service objectives:

- Provide voice and low speed data service to the balance 2.9 lac uncovered villages in the country by the year 2002
- Achieve Internet access to all district head quarters by the year 2000
- Achieve telephone on demand in urban and rural areas by 2002

The resources for meeting the USO would be raised through a 'universal access levy' which would be a percentage of the revenue earned by all the operators under various licences. The percentage of revenue share towards universal access levy would be decided by the Government in consultation with TRAI. The implementation of the USO obligation for rural / remote areas would be undertaken by all fixed service providers who shall be reimbursed from the funds from the universal access levy. Other service providers shall also be encouraged to participate in USO provision subject to technical feasibility and shall be reimbursed from the funds from the universal access levy.

## **7.0 Role of Regulator**

The Telecom Regulatory Authority of India (TRAI) was formed in January 1997 with a view to provide an effective regulatory framework and adequate safeguards to ensure fair competition and protection of consumer interests. The Government is committed to a strong and independent regulator with comprehensive powers and clear authority to effectively perform its functions.

Towards this objective the following approach will be adopted:

- Section 13 of the TRAI Act gives adequate powers to TRAI to issue directions to service providers. Further, under Section 14 of the Act, the TRAI has full adjudicatory powers to resolve disputes between service providers. To ensure a level playing fields, it will be clarified that the TRAI has the powers to issue directions under Section 13 to Government (in its role as service provider) and further to adjudicate under Section 14 of the Act, all disputes arising between Government (in its role as service provider) and any other service provider.
- TRAI will be assigned the arbitration function for resolution of disputes between Government (in its role as licensor) and any licensee.
- The Government will invariably seek TRAI's recommendations on the number and timing of new licences before taking decision on issue of new licenses in future.

- The functions of licensor and policy maker would continue to be discharged by Government in its sovereign capacity. In respect of functions where TRAI has been assigned a recommendatory role, it would not be statutorily mandatory for Government to seek TRAI's recommendations.

## **8.0 Other Issues**

### **8.1 Standardisation**

To enable the establishment of an integrated telecommunication network, common standards with regard to equipment and services would be specified by the Telecom Engineering Centre (TEC). TEC would also continue to grant interconnect and interface approvals for various service providers.

### **8.2 Telecom equipment manufacture**

With a view to promoting indigenous telecom equipment manufacture for both domestic use and export, the Government would provide the necessary support and encouragement to the sector, including suitable incentives to the service providers utilising indigenous equipment.

### **8.3 Human resource development and training**

Human resources are considered more vital than physical resources. Emphasis would be placed on the development of human resources for all fields related to telecommunications and the dispersal of this expertise to the related fields. Such expertise shall also be made available to other countries.

### **8.4 Telecom research and development**

Recognising that telecommunications is a prime pre-requisite for the development of other technologies, telecommunications research and development (R&D) activities would be encouraged. Government would take steps to ensure that the industry invests adequately in R&D for service provision as well as manufacturing. Indigenous R&D would be actively encouraged with a view to accelerate local industrial growth and hasten transfer of technology. Premier technical institutions would be encouraged to undertake R&D activities on a contribution basis by the telecom service providers and manufacturers so as to develop multi-dimensional R&D activities in telecommunications and information technology.

### **8.5 Disaster management**

International co-operation in the use of terrestrial and satellite telecommunications technologies in the prediction, monitoring and early warning of disasters, especially in the early dissemination of information would be encouraged. Financial commitment to disaster management telephony and the development of appropriate regulatory framework for unhindered use of trans-boundary telecommunications would be put in place.

### **8.6 Remote area telephony**

Rural Telephony, areas of North East, Jammu & Kashmir and other hilly areas, tribal blocks, etc. may be identified as a special thrust areas for accelerated development of telecommunications. The Ministry of Defence shall be assigned a more active role in the development of telecommunications in such remote areas as are identified for accelerated development of telecommunications.

### **8.7 Export of Telecom equipment and services**

Export of telecom equipment and services would be actively incentivised. Synergies among the various telecom players (manufacturers and service providers) would be exploited and used to provide integrated solutions for exports.

### **8.8 Right of way**

Government recognises that expeditious approvals for right-of-way clearances to all service providers are critical for timely implementation of telecom networks. The Central / State Government / Local bodies / Ministry of Surface Transport etc. shall take necessary steps to facilitate the same.

## **9.0 Changes in legislation**

The Indian telecommunications system continues to be governed by the provisions of the Indian Telegraph Act, 1885 (ITA 1885) and the Indian Wireless Act, 1933. Substantial changes have taken place in the telecommunications sector since 1992. ITA 1885 needs to be replaced with a more forward looking Act.

**Addendum to NTP-1999**  
**Government of India**  
**Ministry of Communications and Information Technology**  
**Department of Telecommunications**  
**Sanchar Bhawan, 20 Ashoka Road, New Delhi-110 001.**  
**No.808-26/2003-VAS Dated the 11th Nov., 2003.**

### **OFFICE MEMORANDUM**

#### **SUB: Addendum to the New Telecom Policy ' 1999 (NTP-99)**

Given the central aim of NTP-99 to ensure rapid expansion of teledensity; given the unprecedented expansion of telecom services that competition has brought about; given the steep reductions in tariffs that competition has ensured; given the fact that advances in technologies erase distinctions imposed by earlier licensing systems; given the fact that even more rapid advances in technologies are imminent; given the steep reduction in costs of providing telecom services; given the rapid convergence of tariffs for wireless services; given the fact that the provision of such services at the cheapest possible rates and by the most reliable mode is the sine qua non for India to consolidate its position as a leading hub of Communications systems, Information Technology, IT enabled services, and of establishing itself as a leader in new disciplines such as bioinformatics and biotechnology; given the recommendations of TRAI in this regard; Government, in the public interest in general and consumer interest in particular and for the proper conduct of telegraphs and telecommunications services, has decided that there shall also be the following categories of licences for telecommunication services:

1. Unified Licence for Telecommunication Services permitting Licensee to provide all telecommunication/ telegraph services covering various geographical areas using any technology.
2. Licence for Unified Access (Basic and Cellular) Services permitting Licensee to provide Basic and /or Cellular Services using any technology in a defined service area.

( A. S. Verma)

Director (VAS-II)