



TELECOM POLICY 2011 APPROVED BY THE CABINET

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On May 31, 2012, the Union Cabinet cleared the National Telecom Policy 2012 which proposes a host initiatives in the telecom regime in India and crucially includes free roaming, unrestricted net telephony and a new unified licensing regime for operators. The new policy targets to increase transparency and breathe life into the telecom sector. The telecom sector was deeply affected by the huge scandal over licensing. The policy gives specific emphasis to push broadband uptake and increase local manufacturing of telecom equipment. The policy envisages to introduce inter-circle mobile number portability, which will enable users carry their phone number from one state to another. Currently, this is allowed only if the user wants to change operator in the same circle. Further, the unrestricted internet telephony will allow subscribers to use the internet to make local and STD calls to a fixed or mobile user. The policy also seeks to ease merger and acquisition rules in the sector to facilitate consolidation in the crowded market. The policy will also separate operator licenses from spectrum awards and institute market-derived pricing for radio frequencies.

PSA view – The policy benefits those who travel a lot, as roaming charges will be abolished. So, the subscribers will receive free incoming and outgoing calls at local tariffs wherever they are in India. Unrestricted internet telephony will be good for internet service providers as unrestricted net telephony will allow them to offer voice services on top of data. The new policy comes at a time when the telecom sector is reeling under the multiple impact of the 2G spectrum scam, falling revenues for operators and the resultant tariff hikes.

Mobile Number Portability amendment

Owing to the recent decision of the Hon'ble Supreme Court cancelling the telecom licenses granted to the operators, TRAI has proposed an amendment to the Mobile Number Portability Regulations. By this amendment, the users of the disallowed licensees will not be required to wait for the initial 90 day post activation period for porting their numbers to other service providers.

PSA view – This is a commendable but flawed initiative by TRAI. In view of the security concerns of India, this may lead to unverified users obtaining and porting their numbers to other service providers, thereby obtaining legitimate connections. This possibility may also lead to persons obtaining new post paid connections and porting the same leading to greater user default scenario for existing service providers and further revenue losses.

New science, technology and innovation policy

During the current Parliamentary Session, the Minister of State for Planning, Science & Technology and Earth Sciences proposed to formulate a new science, technology and innovation policy for India. The aim of the proposed policy shall be to achieve growth in the areas of science and technology and promote innovation. The policy will be drafted in consultation with experts and scientists. Thereupon, it will be released for opinion from the stakeholders.

PSA view – This is a novel recommendation and should assist in providing the necessary boost to the innovation and technology driven businesses. It would be too premature to anticipate more and we should wait for the policy document to be released.

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