

Seven-Point Package to Unleash Next Wave of Telecom Growth Unveiled **FICCI-Ernst & Young Report Calls for Policy to Boost Construction of National Telecom Infrastructure**

NEW DELHI, March 30, 2011. A FICCI-Ernst & Young report on the telecom sector has recommended a seven-point package of measures to overcome the multifarious challenges faced by the sector and harness the opportunities for future growth. The report combines the most comprehensive and detailed set of industry inputs, till date, into the Government's 100 Day Telecom Program, including the formulation of a new National Telecom Policy (NTP 2011).

The report titled, '**Enabling the next wave of telecom growth in India**', was released by Mr. R. Chandrashekar, Secretary, Department of Telecommunications, Ministry of Communications & Information Technology, at an '**Interactive Session on National Telecom Policy 2011**', organized by FICCI here today.

The key recommendations made by the FICCI-Ernst & Young report for improving the existing focus on the licensing framework, spectrum, USOF, broadband, M&As, equipment manufacturing and infrastructure sharing are:

- A single unified license should cover all telecom services. There should be uniform fee structure across all telecom circles
- Future policy should encourage identifying and vacating spectrum bands for future use. Spectrum allocation should be based on technology neutrality, service flexibility, timely allotment, timely spectrum reconciliation and enhanced transparency. Spectrum sharing and trading should be allowed
- Broadband infrastructure — OFC, high-capacity microwave and satellite connectivity — must be extended to rural, remote and inaccessible areas. Content and applications in regional languages should be created to promote rural broadband.
- The USOF should be utilized for the provision of public telecom, information services, household telephones and broadband connectivity in rural and remote areas. It should be used for creating infrastructure for the provision of mobile services and development of telecommunication facilities, and inducting new technological developments in rural and remote areas. The distribution of funds should be through transparent market-oriented allocation methodology. DoT should also consider lowering the contribution to 1% of AGR toward the fund
- Operators must be allowed to merge intra-circle while being allowed to combine spectrum. The share of a merged entity should not be greater than 30% in terms of subscriber base or AGR

- HMCP should be set up across the country, and fiscal incentives should be provided to promote local manufacturing. R&D initiatives should be encouraged
- A National Telecom Critical Infrastructure Policy on the lines of NTP 1999 should establish uniform procedures for land acquisition, a uniform taxation regime, and subsidies and other packages for creating an environment conducive to boosting the construction of national telecom infrastructure and ensuring the increased participation of all the stakeholders

For taking the telecom sector to the next level of growth, the report calls for a focus on financial inclusion, m-commerce, convergence, security concerns and consumer affordability including through reforms such as voice resale.

This report highlights the specific areas where the Government of India needs to intervene and move the policy to the next generation of reforms. It aims to capture developments witnessed in the telecom sector in the last decade and analyze historical performance to estimate growth over the next five years. It includes inputs from stakeholders in the telecom industry, encompassing operators, telecom equipment manufacturers, infrastructure providers, industry associations and industry practitioners.

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