

## Telecommunications

12. The country has a telecommunication network of over 22,530 telephone exchanges, with a capacity of 189.1 lakh lines and 158.5 lakh working connections (as on 31<sup>st</sup> December 1997). Out of the 31.2 lakh lines of new switching capacity added to the telecom sector during 1996-97, 20 per cent was accounted for by the four metropolitan cities of Delhi, Mumbai, Chennai and Calcutta. The annual growth of providing new telephone connections in different parts of the country is increasing steadily every year.

13. Growth and development in the telecom sector in the country is being implemented according to the provisions implicit in the National Telecom Policy (NTP). As per the Policy, every village is to be provided with one public telephone. The work has been entrusted to Department of Telecommunications (DOT) as well as to licensed private companies. Out of 6,04,374 villages in the country, 2,67,832 villages have been provided with telephones by the end of March 1997. While in 1996-97, 56,719 villages were provided with telephone connections, the 1997-98 target envisaged extending the coverage to 83,000 villages.

14. Foreign investors desirous of investing in manufacture of telecom equipment in the country, are presently allowed automatic approval upto 51 per cent of foreign equity. The telecom equipment manufacturing industry has been delicensed and dereserved. Telecom equipment production increased to Rs 8,300 crore in 1996-97 from Rs 7,750 crore in 1995-96 and telecom exports increased from Rs 1,653 crore in 1995-96 to Rs 1,967 crore in 1996-97.

15. In January 1995, the Government of India issued open tenders for awarding licences to private operators for providing basic telecom services in the country. Five companies have till date signed the licence agreement with the Government for providing basic telecom facilities in Andhra Pradesh, Gujarat, Maharashtra, Madhya Pradesh and Punjab. Commercial service by private operators is expected to commence in these states by 1998. Government is also striving

to facilitate entry of private operators in other telecom circles.

16. A number of Value Added Services have been franchised to the private/public Indian registered companies on a non-exclusive basis. These include Cellular Mobile Telephone Service, Radio Paging Service, Public Mobile Radio Trunked Service, Electronic Mail, Voice-Mail/Audiotex, Videotex, Videoconferencing, Closed Users Group (CUG) Domestic 64 Kbps, Data Service via INSAT Satellite System, Credit Card Authorisation and Internet. In addition to the eight licences issued in November 1994 for Cellular Mobile Telephone Service in four metros, 33 licences have been issued to 13 companies since December 1995 in 18 Territorial Telecom Circles. There are about 1.5 lakh subscribers of Cellular Mobile Telephone Service as on September 30, 1997.

17. The Telecom Regulatory Authority of India (TRAI) has begun functioning as an independent regulatory authority. The objectives and functions of TRAI are indicated in Box 9.3.

18. DOT and Videsh Sanchar Nigam Limited (VSNL) have registered substantial progress in provision and expansion of Internet services. Currently, 20 cities are under Internet coverage. INET, the public data network has been stretched to 95 cities. A high-speed satellite network, Hvnet, capable of providing 64 Kbps data and voice communication capability from any point in the country, has become operational. Integrated Services Digital Network (ISDN) services, offering high speed data transfer, desk top video conferencing, high speed fax and picture phone facilities, have been commissioned in 12 cities and are to be shortly extended to other parts of the country. High-speed national and international leased line services are presently available in the country with around 250 international leased circuits provided for software exports. Other advanced services like Intelligent Network and INSAT based mobile telephone services are under implementation.

### **BOX 9.3**

#### **Telecom Regulatory Authority of India (TRAI)**

Telecom Regulatory Authority of India (TRAI) has begun functioning as a regulatory authority in the telecom sector from the 20th February 1997. It has been set up with a view to discharge regulatory functions, thereby providing a level playing field in the telecom sector. The functions assigned to the Authority are :

- Recommend the need and timing of introduction of a new service provider.
- Recommend the terms and conditions of licence to a service provider.
- Ensure technical compatibility and effective inter-connection between different service providers.
- Regulate arrangements of sharing of revenue, derived from providing telecommunication services, between different service providers.
- Recommend revocation of licence for non-compliance of terms and conditions of licence.
- Protect the interests of customers of telecommunication services.
- Settle disputes between service providers.
- Fix rates for providing telecommunication services within and outside India.
- Monitor the quality of service providers.