GOVERNMENT OF INDIA

OUTCOME BUDGET

2006-2007

MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY

(Department of Telecommunications)

INDEX

Executive Summary

A system of performance budgeting by Ministries handling development programmes was introduced to assess the performance against the set out goals/objectives. However, it was felt that the document is not able to establish a clear one –to –one relationship between the Financial Budget and the Performance Budget and inadequate target setting in physical terms of the ensuing year. Therefore, in addition to the performance budgeting, the outcome budgeting was introduced. It was thought that there is a need to track not just the intermediate physical 'outputs' that are more readily measurable but the "outcomes" which are the end objectives. The Outcome Budget 2005-06 was presented in both the Houses of Parliament on August 25, 2005.

As per the instructions issued by Ministry of Finance, the Outcome Budget 2006-07 was to be prepared separately by each Ministry/Department in respect of all demands/appropriation controlled by them. In pursuance to the instructions issued by Ministry of Finance, Outcome Budget 2006-07 has been prepared for the Department of Telecommunication. The approved Plan Outlay of the Department for 2006-07 is Rs.19509.31 crore including a budgetary support of Rs.218.61 crore. The Plan Outlay includes a sum of Rs.21.86 crore earmarked for North Eastern region

The plan of Telecom Sector is mainly executed by its PSUs. Their own internal and extra budgetary resources fund the development and expansion activities of the PSUs. The budgetary support in the Budget Estimate 2006-07 is towards the outlays of WPC, WMO, TEC, TRAI, TDSAT and C-DOT apart from four new projects of the department. The Universal Service Support Policy of the Government is executed through the Universal Service Obligation Fund. The resources for meeting the same are generated through a Universal Service Levy which is 5% of the Adjusted Gross Revenue (AGR) earned by all the operators except pure value added service providers like internet service provider, voice mail etc. A sum of Rs.1500 crore has been allocated for the Universal Service Fund by the Ministry of Finance against the proposed requirement of Rs.3500 crore. The funds for the USO are provided by Ministry of Finance under Non-Plan funds.

This document presents the envisaged outcomes of the various schemes/programmes of the Department being implemented through its units/PSUs against the approved Plan Outlay. It includes information related to USOF, TEC, WPC, WMO, TEC, TRAI, TDSAT, C-DOT, BSNL and MTNL.

CHAPTER I

I. INTRODUCTION

1.0 Department of Telecommunication is responsible for the telecom policy formulation, telecom licensing, wireless spectrum management, universal service obligation and the regulation of dispute settlement mechanism and the administration of various Acts pertaining to telecommunication. Department of Telecom is responsible for steering the growth of the Telecom sector in the country.

II. ROLE AND FUNCTIONS

2.0 The Department of Telecommunications, which forms a part of the Ministry of Communication and Information Technology, is responsible for policy formulation, performance review, monitoring, international co-operation, grant of licenses to operators for providing Basic and Value Added Services in various Telecom Circles as per the approved policy of the Government. The Department also allocates frequency and monitors radio communication in close coordination with the international bodies. It is also responsible for enforcing wireless regulatory measures and monitoring the wireless transmission of all the users in the country. The office of Administrator, Universal Service Obligation (USO fund) has been set up with effect from June 1, 2002 for the purpose of implementation of universal service support policy.

2.1 Following are the functions assigned to the DoT under Government of India (Allocation of Business), Rules, 1961:

i) Policy, Licensing and Coordination matters relating to telegraphs, telephones, wireless, data, facsimile and telematics services and other like forms of communications.

ii) International cooperation in matters connected with telecommunications, including matter relating to all international bodies dealing with telecommunications such as International Telecommunication Union (ITU), its Radio Regulation Board (RRB), Radio Communication Sector (ITU-R), Telecommunication Standardization Sector (ITU-T), Development Sector (ITU-D), International Telecommunication Satellite Organization (INTELSAT), International Mobile Satellite organization (INMARSAT), Asia Pacific Telecommunication (APT).

iii) Promotion of standardization, research and development in telecommunications.

iv) Promotion of private investment in Telecommunications.

v) Financial assistance for the furtherance of research and study in telecommunications technology and for building up adequately trained manpower for telecom programme, including:

a. Assistance to institutions/scientific institutions and universities for advanced scientific study and research; and

b. Grant of scholarships to students in educational institutions and other forms of financial aid to individuals including those going abroad for studies in the field of telecom.

vi) Procurement of stores, and equipment required by the Department of Telecommunications.

vii) Telecom Commission

viii) Telecom Regulatory Authority of India

ix) Telecom Disputes Settlement and Appellate Tribunal.

x) Administration of laws with respect to any of the matters specified in this list, namely:

(a) The Indian Telegraph Act 1885 (13 of 1885)
(b) The Indian Wireless Telegraphy Act, 1933 (17 of 1933); and
(c) The Telecom Regulatory Authority of India Act, 1997 (24 of 1997).

III. VISION STATEMENT OF THE DEPARTMENT

3.0 To develop a strong and vibrant technology neutral telecom sector with enhanced participation of private sector that can:

- Propel India into the forefront among the global economic superpowers with high quality and cost-effective telecom infrastructure and services support.
- Ensure that the India's rural masses have easy access to the info-highways leading to education, knowledge, commerce and health, thereby bridging the digital divide.
- Provide opportunities for private investment both in services sector and manufacturing sectors leading to creation of employment, particularly in rural areas.
- Keep India technically advanced, initiate R&D in cutting-edge telecommunication technologies.

IV. ORGANISATION

4.0 Department of Telecommunications

With a view to promoting quick decision making and development in all aspects of telecommunications including technology, production services and financing etc., the Government of India established Telecom Commission with necessary executive, administrative and financial powers to deal with various aspects of telecommunications, modeled on the lines of Atomic Energy Commission/Space Commission. Telecom Commission, consisting of a Chairman, four full Members and four part-time Members, functions under the Ministry of Communication and Information Technology.

4.1 Other Units

(i) Wireless Planning and Coordination Wing (WPC)

Wireless Planning and Coordination Wing (WPC) in the Department of Telecommunication deals with Policy and Spectrum management, wireless licensing, frequency assignment, international coordination for spectrum management and administration of Indian Telegraph Act 1885 (ITA, 1885) for Radio Communication Systems and Indian Wireless Telegraph Act, 1933 (IWTA, 1933).

(ii) Telecom Engineering Centre (TEC)

Telecommunication Engineering Centre is a S&T institution in terms of instructions issued by Scientific Advisory Committee to the Cabinet and works as a part of Department of Telecommunication. Its headquarters is at New Delhi and regional centers at New Delhi, Kolkata, Mumbai, Bangalore and Hyderabad. TEC is particularly responsible for standardization activity and drawing up of generic requirement and specifications for Telecom products, equipments, systems, services and networks. It also coordinates and evaluates new products, equipment and systems developed by all developmental agencies.

(iii) Controller of Communication Accounts (CCA)

Controller of Communication Accounts is responsible for the settlement of terminal benefits to the BSNL retirees, i.e., issue of pension payment orders, authorization of payment of commuted value of pension, gratuities, recovery of pension contribution etc. CCAs are also responsible for the recovery of licence fee and spectrum charges from the various service providers in the Telecom sector. After the setting up of Universal Service Obligation, the CCAs are responsible for scrutiny of the claims of various operators to enable the Administrator, USO to disburse funds to the appropriate service providers.

(iv) **Vigilance Telecom Monitoring Cells (VTMs)**

The Government has created the Vigilance Telecom Monitoring Cells at Delhi, Mumbai, Chennai and Hyderabad to coordinate with all the service providers to curb illegal/ clandestine operations within the country. The responsibilities of its cells are two fold i.e, vigilance functions and the technical monitoring of all Telecom service providers.

4.2 Public Sector Units

Following Public Sector Undertakings are under the administrative control of the Department of Telecommunication:

(i) **Bharat Sanchar Nigam Ltd. (BSNL)**

Bharat Sanchar Nigam Ltd. (BSNL) was formed on October 1, 2000 by corporatisation of the erstwhile Department of Telecom Services. BSNL is a 100% Government of India owned public sector undertaking with a authorized capital of Rs.17, 500/- crore, a paid up capital of Rs.12, 500/- crore. BSNL provides telecommunication services in whole of the country except for Delhi and Mumbai where another public sector undertaking, i.e., MTNL is operating.

(ii) **Mahanagar Telephones Nigam Ltd. (MTNL)**

Mahanagar Telephones Nigam Ltd (MTNL was incorporated in 1986 as a wholly owned company and was assigned the responsibility for the control, management, operation of the telecommunication networks in Delhi and Mumbai. At present 56.25% the Government holds equity shares.

(iii) **Indian Telephone Industries Ltd. (ITI)**

ITI was set up in 1948 as a departmental undertaking of the Government of India and was converted into a company in January 1950. The company offers the complete range of telecom products covering the whole spectrum of switching, transmission, access and subscriber premises equipment.

(iv) **Telecommunication Consultants of India Ltd. (TCIL)**

Telecommunication Consultants of India Ltd was incorporated as a wholly owned Government of India company on March 10, 1978. The Committee was set up with the objective of extending the wide-ranging telecom expertise available with DoT to friendly developing countries. The company has since then been engaging in adopting world class technologies and IT technologies for catering to the local needs of the countries in developing world.

4.3 R & D Unit

(i) Centre for Development of Telematics (C-DOT)

Centre for Development of Telematics (C-DOT) was established by the Government of India in 1984 as an autonomous body with the objective of developing a new generation of digital switching systems. Since its inception, C-DOT has developed a wide range of switching and transmission products for the rural and urban applications. C-DOTs current focus is on development and deployment of next generation networks and cost effective rural wireless solutions.

4.4 Regulatory framework in the Telecom Sector

(i) Telecom Regulatory Authority of India

The Telecom Regulatory Authority of India (TRAI) was established under the Telecom Regulatory Authority of India Act, 1997 enacted on March 28,1997. The TRAI (Amendment) Act, 2000 led to reconstitution of the Authority. It consists of one Chairperson, two full-time members and two part-time members.

The goals and objectives of TRAI are focused towards providing a regulatory regime that facilitates achievement of the objectives of New Telecom Policy (NTP 1999). TRAI has endeavored to encourage greater competition in Telecom sector together with better quality at affordable prices. Vide a notification of the Government, from January 9, 2004, broadcasting and cable services have also been included in the definition of telecommunication service under the TRAI Act and thus broadcasting and cable services have also come under the purview of TRAI.

(ii) Telecom Disputes Settlement and Appellate Tribunal (TDSAT)

Telecom Disputes Settlement and Appellate Tribunal (TDSAT) has been established by the Government of India by an amendment to Section 14 of the Telecom Regulatory of India Act 1997 (as amended in 2000) for adjudication and dispute between a licensor and licensee, between two or more service providers, between a service provider and a group of consumers and to hear and dispose off appeal against any decision or order of the Telecom Regulatory Authority of India.

(iii) Universal Service Obligation Fund (USOF)

In pursuance to the guidelines provided under NTP 1999, the universal service policy support came into effect from April 1, 2002 and Universal Service Obligation Fund was established on June 1, 2002. The Indian Telegraph (Amendment) Act, 2003 giving statutory status to both Houses of Parliament passed the Universal Service Obligation Fund (USOF) in December 2003. The fund is utilized exclusively for meeting the universal service obligation. The resources for implementation of USO are raised

through a Universal Service Levy (USL) which has been presently fixed as 5% of the adjusted gross revenue of all Telecom service providers except the pure value added service providers like internet, voice mail, e mail service providers etc.

V Goals and Objectives

5.0 Telecommunication is one of the prime support services needed for rapid growth and modernization of various sectors of the economy. It has become especially important in recent years because of the enormous growth of information technology and its significant impact on the rest of the economy. India is perceived to have a special comparative advantage in IT and IT enabled services. However, sustaining this advantage depends critically on high quality telecommunication infrastructure. Keeping this in view the focus of the Department of Telecommunication has been on enunciating policies that facilitate in the creation of world-class telecommunication facilities at reasonable rates. Provision of telecom services in rural areas is another thrust area so that the digital divide can be minimized.

5.1 National Telecom Policy, 1999

Recognizing that telecommunication is the basic infrastructure along with power and transportation for the growth of national economy, Department has been playing a crucial role in the development of telecommunication sector in the country. A world-class telecommunication infrastructure is a key to rapid economic and social development of the sector. It is critical not only for the development of the communications and information technology industry but also has wide spread ramification in various other sectors of the economy. Keeping these objectives in mind, the Government laid down the New Telecom Policy, 1999 (NTP, 1999). The objectives of the NTP are:

- To make available affordable and effective communications for all citizens.
- To 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;
- To encourage development of telecommunication facilities in remote, hilly and tribal areas of the country;
- To 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;
- To convert PCOs, wherever justified, into Public Teleinfo Centres having multimedia capability like ISDN services, remote databases access, Government and community information systems etc.
- To transform in a time bound manner, the telecommunications sector into a greater competitive environment in both urban and rural areas providing equal opportunities and a level playing field for all players;
- To strengthen research and development efforts in the country and provide an impetus to build world-class manufacturing capabilities;
- To achieve efficiency and transparency in spectrum management.

- To protect the defense and security interests of the country.
- To enable Indian telecom companies to become truly global players.

5.2 **Broadband Policy 2004**

Broadband services contribute significantly in the growth of GDP and enhancement in quality of life through societal applications including tele-education, tele-medicine, e-governance, entertainment as well as employment generation. Broadband connectivity is defined as "an always on data connection i.e. able to support interactive services including internet access and has the capability of the minimum download speed of 256 kbps to an individual subscriber from the point of presence (POP) of the service provider intending to provide broadband service. The estimated growth for broadband and internet subscribers in the country envisaged through various technologies is as follows:

Year Ending	Internet Subscribers	Broadband Subscribers
2005	6 million	3 million
2007	18 million	9 million
2010	40 million	20 million

The Broadband Policy 2004 visualizes creation of the infrastructure through various access technologies such as Optical Fibre, Digital Subscriber Line (DSL), Cable TV Network, and Satellite Media etc.

5.3 **Goals**

The targets set out by the Department are:

(a) Tele-density of 22 by the year 2007 and 30 by the year 2010;
(b) Telecom coverage of all inhabited & accessible revenue villages, with population more than 100, with telecom network in the country by the year 2007;
(c) Mobile coverage of all block HQs by June 2006
(d) Mobile access to all villages with population of more than 5000 by the end of 2006 and more than 2000 by the end of 2007.
(e) Rural tele-density of 6.7% by the year 2007 and 10% by the year 2010;
(f) Shared passive infrastructure for mobile networks in rural and remote areas by the year 2007;
(g) Broadband penetration of 20 million by the year 2010;
(h) Double the investments, including FDI in the sector by 2007
(i) Treble the manufacturing turnover by 2007.

CHAPTER – II

The Outcome Budget 2006-07 has been prepared for the schemes/programmes under Plan as well as Non-Plan. The major component of the Non-Plan expenditure is on account of the funds provided for the Universal Service Obligation Fund. The Outcome Budget 2006-07 prepared for the Department of Telecommunication includes the following:

Universal Service Obligation Fund

The Government had announced the Universal Service Support Policy (USSP) on 01.04.2002 based on the recommendations of the TRAI. For the implementation of the Universal Service Support Policy, the Government has appointed an Administrator, Universal Service Fund with effect from 1.6.2002. The office of the Administrator USF is an attached office of the DoT. The resources for the implementation of USSP are being raised through Universal Service Access Levy (USAL) which is 5% of the Adjusted Gross Revenue (AGR) earned by all the operators as part of the license fee except for pure value added service providers, voice-mail, e-mail, internet service provider etc.

The Department of Telecommunication had requested Ministry of Finance for funds to the tune of Rs.7,000 crores for transfer to USO Fund and compensation to service providers against which MOF has allocated only Rs.3,000 crores. The Outcome Budget[1], thus, prepared, has two parts. Part 1 contains the detailed committed funds under the agreements, which have already been signed, and Part II gives the details of additional requirement, thus taking the estimated requirement of funds to Rs.3504.81 crores. The additional funds for the same would be asked for at the RE 2006-07 stage.

Telecom Engineering Centre (TEC)

Telecom Engineering Center, as a part of DoT, Government of India, has its headquarters at New Delhi and various vigilance centers. The TEC is responsible for the standardization and development of generic requirement, interface requirements for Telecom Equipment services and products. It is also responsible for new telecom technology study, trials, evolution and induction in the network. A sum of Rs.1 crores has been provided under the plan 2006-07 for the implementation of NGN test bed, up-gradation of intranet and procurement of testing tools and accessories for CVM etc & the Outcome Budget[2] prepared for the same.

Wireless Planning & Coordination (WPC)

The approved plan outlay of Wireless Planning and Coordination Wing for the year 2006-07 is Rs.15.60 crore. WPC/WMO, as part of the Telecom Sector Reform

[1] Refer Annexure-A.
[2] Refer Annexure-B.

Technical Assistance Project, is implementing National Radio Spectrum Management and Monitoring System (NRSMMS). The project for National Radio Spectrum Management Monitoring System is for automation of process for Radio Frequency (RF) Spectrum Management including frequency assignments, wireless licensing etc and up-gradation of the radio monitoring facilities in the Wireless Monitoring Organization, the field organization of the WPC Wing. This project when completed will improve the utilization of Radio Frequency Spectrum, which is a scarce national resource and essential for modern telecommunication services. The Outcome Budget[3] of WPC relates to the work being undertaken under this project.

Wireless Monitoring Organization (WMO)

The approved Plan Outlay for Wireless Monitoring Organization is Rs.9 crore for the year 2006-07 and the Outcome Budget[4] relates to the outlay. The funds would be utilized mainly for strengthening of VHF/UHF Spectrum Analysis Capability, strengthening of HF monitoring and implementation of Management Information System among other activities.

Centre for Development of Telematics (C-DOT)

Centre for Development of Telematics (C-DOT) is the Telecom Research and Development Centre of the Government of India. It is a autonomous scientific society which develops total telecom solutions technologies and applications for the fixed line, mobile and packet based converge network and services. C-DOT's current focus is on the development and deployment of next generation networks and cost effective rural wireless solutions. A plan outlay of Rs.143.70 crore has been approved for C-DOT during 2006-07. A Rs.82 crore has been provided as budgetary support and Rs.61.70 crore is from the internal and extra budgetary resources of C-DOT. The projects to be undertaken by C-DOT during 2006-07 and which is part of the Outcome Budget[5] are related to advanced Intelligent Network (IN), Network Management System and wireless and mobile communication among other projects.

Telecom Regulatory Authority of India (TRAI)

A sum of Rs.3.25 crore has been provided under Plan for telecom regulatory authority. TRAI is the independent regulator in the country and was set up under the TRAI Act, 1997. The quantifiable deliverables/physical outputs related to TRAI are related to the various proposed studies/consultancies to be undertaken by TRAI and on the training to TRAI officials on technical and regulatory issues. Hence, the Outcome Budget[6] for TRAI is pertaining to the above parameters.

Telecom Disputes Settlement and Appellate Tribunal (TDSAT)

[3] Refer Annexure C
[4] Refer Annexure D
[5] Refer Annexure E
[6] Refer Annexure F

Telecom Disputes Settlement and Appellate Tribunal (TDSAT) was formed in the year 2000 after amending the Telecom Regulatory Act 1997. A sum of Rs.70 lakh has been provided under Plan to TDSAT. The funds would be utilized for up-gradation of reference library, holding of seminars, appointment of legal consultants and study tour of Hon'ble Chair person/ members and the training of staff. The Outcome Budget[7] of TDSAT, therefore, relates to the above facilities.

Bharat Sanchar Nigam Limited (BSNL)

Bharat Sanchar Nigam Ltd. (BSNL) has a approved Plan Outlay of Rs.16931 crore for the year 2006-07. The funds would be utilized for the provision of internet, broadband facilities amongst other programmes given in the Outcome Budget[8].

Mahanagar Telephone Nigam Limited (MTNL)

Mahanagar Telephone Nigam Limited (MTNL) is the PSU under the Department of Telecommunication which is providing telecom services in the metro cities of Delhi and Mumbai. MTNL is a total solution provider with following services being offered :

Fixed
Mobile (GSM as well as CDMA)
Internet
Broadband
Value Added Services etc.

The approved plan outlay of MTNL for the year 2006-07 is Rs.2298 crore with no budgetary support. The resources are being generated by the company through its internal and extra budgetary resources. The outcome targets as given in the Outcome Budget[9] of MTNL mainly relate to increase in the net switching capacity, convergent billing and to support expansion in new service areas abroad. MTNL also plans to start its ILD operations during the year.

New Projects

The Budgetary Support of Rs.218.61 crores includes provision for the following New Projects.

(a) Setting up of Telecom Testing and Security Certification Centre (TETC): Advances in computer and communication technology formed a basis of global economic growth and increase of standard of living. With this increased Reliance comes the need to make information system more secure, test worthy, sustainable and available

[7] Refer Annexure G
[8] Refer Annexure H
[9] Refer Annexure I

in the face of both intentional attacks and accidental faults. There is a need to form comprehensive tests in order to assure oneself of secured net work. It is important to create a test bed in which the Government has adequate control in devising protocols and procedures for testing of carrying out test of every telecom products and carrying out research. Keeping these in view, setting up of Telecom Testing and Security Certification Centre has been proposed with an investment of Rs.5 crores.

(b) Technical Assistance: For providing technical assistance for promoting investment in the manufacturing sector and export of telecom equipments to the developing/underdeveloped nations an amount of Rs.1 crore has been provided.

(c) Undersea Cabling between Mainland and Andaman & Nicobar (UM&AN): In order to provide and alternate redundant path to avoid communication black out in a disaster it is felt eminently desirable to have a submarine cable link from mainland to Andaman & Nicobar and Lakshadweep Island. This is also in line with the Government's approach and management in the developmental activities project. A sum of Rs.1 crore has been provided for this project in BE 2006-07.

(d) OFC based network for Defence Services (DS): In the context of coordination/vacation of spectrum by Defence Services, based on a meeting between Secretary (Telecom) and Defence Secretary, it was agreed in principle that DoT would help in replacement of some of the Defence wireless networks between fixed locations, with Optical Fibre Cable based network through BSNL, etc. The urgency for coordination/ vacation of spectrum by Defence for growth of mobile services as well as introduction of 3G services, has been recognized at the level of PMO also. The Ministry of Defence has requested for this project to be undertaken by DoT, with DoT funds, for faster execution etc. The equipment details and fund requirements/ phasing are being worked out by a project definition Team. The report of PDT is expected shortly and the project would need to be implemented on a urgent basis. Hence an amount of Rs.100 crores has been provided in BE 2006-07.

ANNEXURE – "A"

UNIVERSAL SERVICE OBLIGATION FUND (USOF)

OUTCOME BUDGET 2006-07

Sl. No.	Name of the Activity	Annual Targets			Quarter 1			Quarter 2			Quarter 3	
		Financial Outlays (Rs. in crores)	Physical Outcome		Financial Outlays (Rs. in crores)	Physical Outcome		Financial Outlays (Rs. in crores)	Physical Outcome		Financial Outlays (Rs. in crores)	Phy Out
			Existing	Change during Yr		Existing	Change during Qtr		Existing	Change during Qtr		Existing

1	O & M for existing VPTs (in lakhs)	136.80	3.50	(-) 0.22	35.00	3.50	0.02	34.80	3.48	0.06	34.20	3.42
2	Replacement of MARR VPTs (in lakhs)	249.40	1.64	0.22	59.45	1.64	0.02	60.18	1.66	0.06	62.35	1.72
3	Provisioning of RCPs (Nos. in '000s)	66.03	18.00	20.00	3.13	18.00	5.00	16.52	23.00	5.00	17.64	28.00
4	Provisioning of VPTs in Uncovered villages (Nos. in '000s)	117.11	17.00	29.00	5.93	17.00	6.00	22.42	23.00	7.00	27.33	30.00
5	Rural Household DELs installed from 1.4.02 to 31.3.05 (No. in lakhs) *	132.00	18.65	0.00	33.00	18.65	0.00	33.00	18.65	0.00	33.00	18.65
6	Rural household DELs installed from 1.4.05 to 31.3.07 (No. in lakhs)	644.75	3.00	4.20	7.50	3.00	1.00	140.00	4.00	1.00	150.00	5.00
7	Liabilities of 2005-06 under claims received and processed in 2005-06, carried over to 2006-07 **	157.63										
(I)	Total (Committed under agreement already signed)	1503.72										
Additional requirement under agreement at 6 above / proposed new activities												
a	Provision of HPTICs (No.s in '000s)	7.34	0.00	1.50			0.00	0.00		0.00	0.00	0.00
b	Rural household DELs installed from 1.4.05 to 31.3.07 (No. in lakhs)	393.75	7.00	6.75					0.00	0.00	0.00	0.00
c	Provision of Shareable Infrastructure for mobile services (No.of towers in '000s)	1600.00	0.00	5.00			0.00	0.00		0.00	0.00	
(II)	*Total Additional requirement*	*2001.09*										
Total Estimated Requirement of Funds (FY 2006-07) =(I)+(II)		3504.81										

Notes:-

* For Rural household DELs installed from 1.4.02 to 31.3.05 at item No.5, only equated annual subsidy is to be provided during 2006-

** It is expected that Rs.500 crore would be received under Final Grants for 05-06. In case no additional funds are received, then the I would increase by this amount. This would further affect the roll-out of RDELs.

(i) A provision of Rs.1500 crore has been made under budget proposals against our requirement of Rs.3500 crore.

(ii) The VPTs under (1) above are already existing and include VPTs on MARR Technology, which are to be replaced by other techno get transferred from activity 1 to activity 2.

(iii) The above target figures are estimated and subjected to actual disbursement based on timely submission of claims by USPs and nu provided and/ or working.

(iv) Subsidy claims are received and disbursed in arrears after completion of quarter in which facilities are provided and/ or remained

ANNEXURE – "B"

TELECOM ENGINEERING CENTRE (TEC)

Outcome Budget 2006-07

Sl. No.	Name of Scheme / Programme	Objective / Outcome	Outlay 2006-07	Quantifiable Deliverables		Process / Tir	
1	Telecom Standardization and preparation of Generic Requirements. Interface requirements, Service Requirements, New Technology study, trials and induction	1) Technical support to DoT and other organizations	1.00 Crore Qtr.1 – 16.668 Qtr.2 - 11.832 Qtr.3 – 71.50	**1) New GRs / IRs - 37** Qtr.1 - 9 Qtr.2 - 13 Qtr.3 - 8 Qtr.4 – 7		1) Upgradation of Intranet (Q1) 2) NGN Test Bed (Q2)	i) Rev ii) Flo iii Dat iv) Ev v)Insta i) Floa ii) Op iii) Te
2	Preparation of Fundamental Telecom Plans (e.g. Numbering Plan)	2) Telecom standardization, preparation of Generic Requirements	Qtr.4 - 0	**2) Review of GRs/ IRs - 113** Qtr.1 - 26 Qtr.2 - 28			tender iv) Ins i) Prep
3	Technical support to DoT Technical support to BSNL / MTNL Approving inter-operator Network-Network	(GR) and Interface Requirements (IR) and New Technology Studies		Qtr.3 - 35 Qtr.4 - 24		3) Procurement of testing tools and accessories for CDMA (Q3)	docum ii) Flo iii) Op iv) Te tender
4	Interfaces (NNI)			**3) Test Schedule - 149** Qtr.1 - 34 Qtr.2 - 41			vi) Pro i) Prep
5	Issue of service test certificates to licensed	3) Coverage and Service tests of mobile networks.		Qtr.3 - 43 Qtr.4 – 31		4) Procurement of PCs, Laptop and Office automation. (Q2)	docum ii) Flo iii) Op iv) Te
6	Service Providers Interface approvals of customer equipment	4) Interface Approvals for MTNL/BSNL networks.		**4) Study Items- 27** Qtr.1 - 4 Qtr.2 - 7			tender vi) Pro
7	Participation in APT, ITU and other standards organizations			Qtr.3 - 8 Qtr.4 - 8			
				5) Validation -12 To be conducted as and when offered by the suppliers.			

Sl. No.	Name of Scheme / Programme	Objective / Outcome	Outlay 2006-07	Quantifiable Deliverables		Process / Tir	
TOTAL			**1.00 Crore**				

ANNEXURE – "C"

WIRELESS PLANNING COORDINATION (WPC)

Outcomes/ Targets in the Outcome Budget 2006-07

Name of Schemes	Items	Outlay (in crores)	Quantifiable Deliverables	Final Outcome	Pro Ti

National Radio Spectrum Management and Monitoring System (NRSMMS)

Fixed sites	4.16	Quarter - I	Spill over of activities related to Fixed sites/completion of those remaining sites which could not be completed in last quarter of 2005-06
		Quarter - II	Tower Installation work at Goa, Jallundher
		Quarter - III	Installation of LAN/WAN, Workstations etc. at Siliguri
		Quarter - IV	Nil
V/UHF MMS Vehicles	6.40	Quarter - I	Completion of activities related to V/UHF MMS Vehicles and Delivery of vehicles at site
		Quarter - II	-do-
		Quarter - III	-do-
		Quarter - IV	Nil
SHFMMS Vehicles	1.00	Quarter - I	Finalisation of PDR and integration of first prototype vehicle. Thereafter, Critical Design Review of SHF MMS vehicle and its finalization.
		Quarter - II	Fabrication & Acceptance testing of vehicles and delivery of 2 vehicles
		Quarter - III	Fabrication & Acceptance testing of vehicles and delivery of 10 vehicles
		Quarter - IV	Fabrication & Acceptance testing of vehicles and delivery of 08 vehicles
SHF Fixed site	0.80	Quarter - I	Finalisation of PDR and commencement of work at Jalna
		Quarter - II	Installation work continued
		Quarter - III	Completion of all activities and finalization of Acceptance testing procedure (ATP) and commencement of Acceptance testing
		Quarter - IV	Completion of all Acceptance testing and handing over of the site
Training/Travel	0.50	Quarter - I	Payments of training already completed in 05-06
		Quarter - II	completion of other trainings given in the contract
		Quarter - III	Nil
		Quarter - IV	Nil
PMC Services	2.50	Quarter - I	Payment towards PMC services taken in 05-06
		Quarter - II	Nil
		Quarter - III	Nil
		Quarter - IV	Nil
Salary, O/E etc.	0.25		Payment towards salary etc.

The automation of RF spectrum management will result in effective and efficient frequency assignment, wireless licensing and radio monitoring processes, with a view to provide interference free operations

Total	15.61

* Approved BE 2006-07 = Rs.15.61 crores. M(F) and Planning Commission have agreed in principle to provide additional funds at RE stage, if required.

ANNEXURE – "D"

WIRELESS MONITORING ORGANISATION (WMO)

Outcomes / Targets in the Outcome Budget 2006-07

Sl. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2006-07 (Rs. in Crores)	Quantifiable Deliverables	Processes/ Time
1	Science & Technology	Procurement of Software & Hardware	Nil	---	---
2	Strengthening of VHF/UHF Spectrum analysis capacilities	Procurement of Electronic H/W & S/ware for radio monitoring activities	1.50	Purchase of H/Ware, S/Ware & installation	1. Financial concurre required. 2. Tendering, evalua procurement
3	Regional Maintenance Centre	Proc. Of Hardwarefor repair of equipments	Nil	---	---
4	Management Information System	Procurement of Servers, Computers, Network equipments, Software & Hardware and integration in a network for administrative works	0.50	Design of network and software, procurement of hardware and software, integration and commissioning	1. Design of network software. 2. Financial concurre required. 3. Tendering, evaluat procurement
5	Strengthening of Inspection Activities	Augmentation of Inspection of Wireless Establishments of User Departments	Nil	---	---
6	Strengthening of HF Monitoring	Augmentation/replacements of existing H.F. Monitoring facilities	1.00	Procurement of Electronic Hardware & software	1. Financial concurre required. 2. Tendering, evalua procurement
7	Civil works MH4059/4216 (by Ministry of Urban Development)	Miscellaneous Civil Works such as proc. Of land, constn of office bldg, staff qtrs. Constn. Of ancillaries etc.	5.00	Proc. Of land & Civil construction	Various civil works ar approval & execution
8	Development Programmes for N.E. Region	Development Programmes for N.E. Region	1.00	Procurement of Electronic Hardware & software	1. Financial concurrenc required. 2. Tendering, evaluatio procurement
	Total Outlays		9.00		

ANNEXURE – "E"

CENTRE FOR DEVELOPMENT OF TELEMATICS

Outcome Budget 2006-07

S. no.	Scheme / Program Name	Objective / Outcome	Outlay 2006-07	Quarterly Targets Quantifiable Deliverable	Proces li
1	Advanced Intelligent Network (IN)	To demonstrate a pilot IN system for Converged Network (includes broadband and legacy networks) and also Enhanced IN services for WIN & CDMA 2000 networks	6.99	• IN for Converged Network with progressive deliveries - both legacy & broadband networks; initial trial for IP network	-
				Q1: • Field trial completion of WIN (IN for CDMA network) soln for 2 services, namely pre-paid & toll-free • IP/SRP development completion for INAP protocol (corresponds to Wireline subscribers)	
				Q2: • Pilot testing / trial IP/SRP services with WIN & INAP protocol • Development commencement for IN for converged networks - IP networks	
				Q3: • Field trial completion for IP/SRP services with WIN & INAP protocols • Development for IN for converged networks (contd)	
				Q4: • Development completion for IN for converged networks - for IP network & commencement of pilot testing	

2	Cell & Packet Tech for voice & data convergence	• Capacity enhancement of existing C-DOT NGN components • Start indigisation of remaining components of the NGN soln beign currently outsourced from strategic partners. • Conduct field trials of C-DOT NGN soln and work on towards stabilizationfor commercial offerings • Marketing & commercialisation of C-DOT NGN soln for operators • Clear all acceptance tests of Navy for completion of AISDN-17 project • Undertake new defense projects on commercial basis	5.71	• Enhanced capacity media gateway and MPLS router • Requirements finalization & implementation strategy for VoIP softswitch • Stabilized media gateway, signaling gateway and MPLS commercialisation • Closure of AISDN-17 development program	-
				Q1: • Pilot / Field trial of C-DOT NGN solution • Finalization of requirements & implementation strategy for VoIP soft switch • Acceptance testing for AISDN-17 project	
				Q2: • Development of enhanced capacity media gateway & MPLS router • Commencement of development of VoIP soft switch • Continuation of testing for AISDN-17 project	
				Q3: • Integration testing & stabilisation of media gateway, signaling gateway & MPLS router • Design & development to continue for VoIP soft switch • Completion of AISDN-17 project acceptance testing.	
				Q4: • Commercialisation of media gateway, signaling gateway, MPLS router • Closure of AIDSN-17 project, ATM program for Defence	

3	Innovative Services for Business & Industry	• To develop & pilot trial a Call Interception & Intelligent system (CIIS)• To enhance the NMS & OSS systems & support for NMS deployment in the field for GSM & National TAX NMS	17.79	• Pilot trial commencement for call interception system • NMS enhancements & deployment in the field	-
				Q1: • Field trial of CIIS for TDM based LEIF & LEMF for interception of CDOT MAX • Implementation of data & fax interception features in LEMF functionality for circuit switch • Pilot / field trial commencement for OSS's clearing house appln for National Roaming • LNMS support in the field & commencement for installation & commissioning of GNMS & TAX NMS systems' deployment in the field progressively	
				Q2: • Field trial completion for CIIS system (TDMA network) • Commencement of design & implementation of LEIF functionality of CIIS for packet switch network. • LNMS support in the field & Deployment for GNMS, TAX NMS & Subscriber network mgmt services nationwide, contd. • As part of NMS enhancement development completion for south bound interfaces towards EMS using TMF standards • Development for OSS enhancement for SMS based value added services & clearing house • Commencement of OSS study for CDOT NGN soln.	
				Q3: • Development completion for LEIF functionality of CIIS for packet switch network • Commencement of design implementation for ISDN interfaces in LEIF & LEMF functionality of CIIS for circuit switch • LNMS support in the field & Deployment for GNMS, TAX NMS & Subscriber network mgmt services nationwide, contd. • Development for NMS enhancements including NMS for transmission equipment monitoring • Pilot testing commencement for some of OSS enhancements completed for field requirements & continuation of OSS enhancements' development • OSS study for C-DOT NGN soln continuation & finalization of requirements	
				Q4: • Field trial commencement of CIIS for packet-based LEIF & LEMF functionality for interception of CDOT MAX including ISDN interfaces for circuit switch • Design implementation for LEIF interfaces for interception of switches other than C-DOT MAX technologies • Nationwide GSM mgmt system (GNMS), TAX NMS, Subscriber mgmt deployment incl transmission equipment monitoring, contd. • LNMS support • Support for OSS enhancements deployment in the field • Study of OSS for CDOT NGN solution & commencement of phased implementation for some of the OSS services for NGN	

4	Wireless & Mobile Communication	• Initiate development of rural wireless appln software for providing e governance, educational and online business services• Field trial of C-DOT rural wireless soln for commercial acceptance• Marketing & commercialisation of C-DOT Rural WirelessAccess soln	4.45	• Finalization of rural services application software requirement specifications• Field stabilisation ans commerialisation of C-DOT rural wireless access soln.		-
				Q1:	• Field trial commencement for C-DOT rural wireless & broadband access soln. • Spec formulation to commence rural wireless appln software / enhancements development as per requirements	
				Q2:	• Conclusion of field trial for C-DOT rural wireless and access soln. & preparation for field deployment and commercialization • Field support continuation in the deployment of rural wireless and broadband access being deployed in the field progressively • Design & implementation of enhancements / new applications developments	
				Q3:	• Field support continuation in the deployment of rural wireless and broadband access being deployed in the field progressively contd • Implementation of enhancements / new applications developments follwoed by system integration testing	
				Q4:	• Field support continuation in the deployment of rural wireless and broadband access being deployed in the field progressively contd • Pilot trial commencement for new application software / enhancements and their propagation in field	

5	High Bit Rate Network Backbone on Fibre & Sat.	• To conclude the field trial for DWDM technology followed by its transfer of technology to lead manufacturer for its productionisation & during the year the technology will also be supported for component obsolescence & technology upradation, if required• To commence & conclude the pilot/ field trial for CWDM system in linear configuration, boadband satellite in Ku band followed by transfer of tech for technology productionisation• To develop & pilot try a GPON system	18.42	Field trial completion for WDM tech namely, DWDM, CWDM (linear config), BBTS in Ku band, ToT for these technologies for productionization & pilot trial commencement for GPON system.		-
				Q1:	• Technology approval for DWDM system & commencement of ToT activity • Commencement of CWDM system (linear config) internal val. • Development completion & integrated testing of Ku band up/down converters with 140 Mhzs interface (IF) • STM-1 modem completion for broadband satellite system & system readiness to offer for TEC testing. • Design implementation for GPON system.	
				Q2:	• CWDM internal val completion with incorporation of feedback, etc, if any • Completion of development & testing of STM1 MODEMs & integrated testin of modems with up/dowm converters • Commencement of field trial for broadband satellite system in ku band • Design implementation for GPON system, cointd.. • DWDM technology support to manufacturer(s) for productionisation & addressing component obsolescence issue & tech upgradation, if required	
				Q3:	• Offer for CWDM system (linear config) to TEC for testing in lab• Field trial completion followed by ToT activites for STM-1 satellite equipment in Ku band & completion of development of 34 Mbps Modem• Design implementation completion, followed by system integration testing for GPON system and commencement of its TEC testing • Support to manufacturer for production of DWDM system & design enhancements contd. for component obsolescence & tech upgradation	
				Q4:	• Field trial commencement for CWDM system in field for tech approval & initiation of ToT activities in parallel. • Field trial of 34 Mbps C or Ku band IDR depending on requirements of BSNL & support to manufacturer for productionisation of broadband satellite system • Commencement of pilot / field trial for GPON system • Support to manufacturer for production of DWDM system & design enhancements contd. for component obsolescence & tech upgradation	

6	Campus	Commencement of housing complex and part completion	10.31	Award of contract & commencement of housing complex, construction activities	-
				Q1: •Commissioning of Building mgmt. system, external lighting completion, land scaping /& murals	
				Q2: •Housing complex:construction contd.	
				Q3: •Housing complex:construction contd.	
				Q4: •Housing complex:construction and part completion	
7	Product Support Enhancement / Field Support	Technology upgradation to take care of obscelence	41.01	Feature enhancement / upgradation for technology deployed in the field	-
8	CARC		39.00		
	Total		**143.68**		

Abbreviations:
ATM : Asynchronous Transfer Mode; IN : Intelligent Network; IP/MPLS : Internet Protocol / Multi Protocol Lable Switching; TDM : Time D
Customer Registration System; CMS : Complaint Management System; DWDM : Dense Wavelength Division Multiplexing; CWDM : Coar
Passive Optical Network; ToT : Transfer of Technology

** Remarks / Risk Factors : Some of the risk factors anticipated in the above R&D activities are as follows:
1. Research work results may not conform fully with specifications in the first instance may require some iteration
2. The major changes in the specifications by the international standard bodies may also affect the development schedule
3. Various sub components of the research activities may have problems during overall system integration
4. The completion targets may get shifted in case R&D efforts on priority basis are devoted to fulfill the operators' commitments w.r.t. field rec

Note : Quarterly targets (Q1 to Q4) are based on FY 2005-06 and indicate the physical targets to be achieved by the end of quarter

ANNEXURE – "F"

TELECOM REGULATORY AUTHORITY OF INDIA (TRAI)

Outcome Budget 2006-07

Sl. No.	Name of Scheme/ Programme	Objective/ Outcome	Outlay 2006-07			Quantifiable Deliverables/ Physical Outputs	Projecte Outcome
1	2	3	4			5	6
			4(i)	4(ii)	4(iii)		
	Institutional Capacity Building Project of TRAI	To Strengthen the institution-al capabilities of TRAI to perform its functions under the TRAI Act including carrying out of consultative studies on regulatory issues and provision of training	Non- Plan Budget **NIL**	Plan Budget **Rs.3.25 crore (BE)** **Consultancies Rs.2.75 cr.** **Trainings-Rs.0.50** Cr.	Complement ary Extra-Budgetary Resources **NIL**	**(a) Proposed Studies:** (i) Studies on Emerging Technology, (ii) Studies on Media Research, Survey and e-filing, (iii) Study on Quality of Service and Customer Satisfaction Survey (iv) Study on Interconnection in the Converged Multi-service, Multi-operator Scenario (v) Upgradation and expansion of System Software for TRAI (vi) Procurement of Test Drive Equipments for maintaining quality of service, and some other study proposals **(b) Provision of Training for TRAI officials on technical and regulatory issues**	The propos studies will TRAI in formulating recommend ations and i other regul functions. To meet the training nee of TRAI officials

ANNEXURE – "G"

TELECOM DISPUTES SETTLEMENT & APPELLATE TRIBUNAL

Quarterly Targets fixed for 2006-07 under Plan Funds

Item	1st Quarter	2nd Quarter	3rd Quarter	
Upgradation of Reference Library	1. Appointment of Computer Programmer for networking of reference library	Purchase of books and developing of Case monitoring system	Purchase of books & establishment of networking of reference library	Pur
Study tours of Hon'ble Chairperson/ Members and training of staff	Identification of countries where study tours of Hon'ble Chairperson/Members are to undertaken, training institutes where staff can be trained and where possible study tours/training arranged.	Since the itenary depends on the action taken in the f have to be fixed accordingly for the next three quarte		
Holding of Seminars	Identification of places for organizing the Seminars and organizing one Seminar in the first quarter.	Action taken would depend upon the identification of quarter and subsequent seminar will be held at the ide locations/cities.		
Appointment of Legal Consultant	The existing incumbents will continue in the first and second quarter		As the period of one-year co existing consultant would be 2006, process would be initi renew the contract or engage consultant	

ANNEXURE – "H"

BHARAT SANCHAR NIGAM LIMITED

S.No.	Name of Scheme/ Programme	Objective /Outcome	*Outlay 2006-07 (in Rs. crores)	# Quantifiable Deliverables	Actual Achievement	Processes/ Timelines
1	DELs (Direct Exchnage Lines)	Provision of DELs on Demand	Outlay for provision of 100 Lakh DELs	Total 100 Lakh		DELs target inclu
				1st Quarter 10 Lakh		(I) 90 lakh mobi connections
				2nd Quarter 15 Lakh		
				3rd Quarter 25 Lakh		(ii) 10 Lakh basic
				4th Quarter 50 lakh		connecitons
2	Rural DELs	Help Raising the Rural Teledensity	Annual	Total 10 Lakh DELs		
				1st Quarter 1.0 Lakh		
				2nd Quarter 1.5 Lakh		
			1st Quarter 1535 Cr	3rd Quarter 2.5 Lakh		
				4th Quarter 5.0 Lakh		
3	VPTs (Village Public Telephones)	Provision of VPTs as per USO agreement		Total 20000 VPTs		
				1st Quarter 2000		
			2nd Quarter 2300 Cr	2nd Quarter 5000		
				3rd Quarter 5500		
				4h Quarter 7500		
4	MARR Replacement	Replacement of all VPTs on MARR with WLL / LL		Total 40000		
				1st Quarter 40000		All the MARR VP
			3rd Quarter 3836 Cr	2nd Quarter Nil		are expected to
				3rd Quarter Nil		replaced by Jun
				4th Quarter Nil		2006
5	RCPs (Rural Community Phones)	Provision of Second Public Telephone in villages with population more than 2000		Total 6000		
				1st Quarter 1000		
			4th Quarter 7670 Cr	2nd Quarter 1500		
				3rd Quarter 1500		
				4th Quarter 2000		

S.No.	Name of Scheme/ Programme	Objective /Outcome	*Outlay 2006-07 (in Rs. crores)	Quantifiable Deliverables	Actual Achievement	Processes/ Timelines
6	Internet Connections		Outlay for Broadband / Internet Annual	Total 8 Lakh connections		
				1st Quarter 1.2 Lakh		
				2nd Quarter 2.0 Lakh		
				3rd Quarter 2.4 Lakh		
				4th Quarter 2.4 Lakh		
7	Broadband Connections			Total 6.0 Lakh		
			1st Qtr. 159 Cr	1st Quarter 1.0 Lakh		
			2nd Qtr. 239 Cr	2nd Quarter 1.5 Lakh		
			3rd Qtr. 397 Cr	3rd Quarter 1.5 Lakh		
			4th Qtr. 795 Cr	4th Quarter 2.0 Lakh		

* (I) Outlay is as per the annual plan for 2006-07
* (ii) Outlay for Rural DELsVPTs, MARR Replacement, RCPs is included in outlay for DELs at Sr. No. 1
# (iii) Physical target for DELs, Rural DELs, Internet connections and Broadband connections as per annual plan 2006-07
# (iv) Physical targets for VPTs are as per USO agreement

ANNEXURE – "I"

MAHANAGAR TELEPHONE NIGAM LIMITED (MTNL)

Outcome/Targets in the Outcome Budget 2006-07

Sl. No.	Name of Schemes/ Programme	Objective/ Outcome	Outlay 2006-07 IEBR (Rs. in Cr)	Quantifiable Deliverables	Processes / Timelines
1	Switching (including TAX/Tandem) and Access lines (including CDMA/WLL Handsets, GSM) in existing and new areas	Increase in net switching capacity	1968	i) Additions of 2000K lines in net switching capacity including capacity for WLLL & GSM	2 million GSM capcity will be a during 2006-07 and likely to be commissioned by 31.10.2006
				ii) Addition of 64K lines of TAX/Tandem capacity	To be commissioned by 31.3.07 procurement through tender.
				iii) Additions of 18000 Optical Fibre Kms.	Orders for material to be placed 30.9.06 and cables to be laid by 31.3.07
				iv) Addition of 500K ports of DLC/DSLAM	To be commissioned by 31.12.0 after procurement through tende
2	IT related services	Convergent Billing	250	i) Convergent billing	To be completed by 31.3.07
3	International Long Distance Operations	To start ILD operations	30	To start ILD operations	Joint venture with BSNL for IL operations through undersea cab will be finalized through tender 31.10.06 & will be operative by 31.3.07
4	Expansion in New Service Areas Abroad and National acquisitions	Service in Overseas operations	50	To expand in other areas	Subject to new overseas suitabl opportunities
			2298		

CHAPTER – III

I. POLICY INITIATIVES

1.0 The Telecom sector in the country has been growing at a rapid pace and it is one of the fastest growing sectors, which is ranked seventh in the world in network size. The policy of liberalization and increasing competition in the Telecom sector has resulted in the tele-density increasing from 1.28 per 100 populations in 1996 to 11.75 per 100 populations by 31st January 2006. During the current year certain important policy initiatives were taken by the Government, which would, further, help in the growth of the sector. The details of policy initiatives taken during the year are as follows:

(a) The annual license fee for national long distance, international long distance, internet service provider (ISP) with internet telephony (restricted) was reduced to 6% of the Adjustment Gross Revenue (AGR) with effect from 1.1.2006.

(b) Entry fee for NLD licenses was reduced to Rs.2.5 crore from Rs.100 crore prospectively, i.e., date of issue of amendment to the existing guidelines. Similarly, entry fee for ILD services has also been reduced to Rs.2.5 crore from Rs.25 crore.

(c) Leased line charges have been reduced to make bandwidth available at competitive prices to facilitate growth in IT enabled services.

(d) NLD service providers have been permitted to access the subscribers directly for provision of leased circuits closed user groups and can provide last mile connectivity. The ILD service providers can also access the subscribers directly only for provision of leased circuits closed user group.

(e) Access service providers have been allowed to provide Internet telephony, Internet services and broadband services.

(f) FDI ceiling increased from 49% to 74% in the Telecom Services.

(g) Under the One-India Tariff Plan, BSNL and MTNL have reduced their STD rates to Rs.1 per minute for any destination in India with effect from 1st March 2006.

(h) Policy for IN domain registration announced.

(i) Broadband policy 2004 announced on 14th October 2004 strives to bring about broadband revolution in the country. It lays down the goal of having million broadband subscribers by the end of 2010.

(j) Linked with the above policy is the delicensing of 2.40-2.4835 GHz for indoor and outdoor use, 5.15-5.13 GHz for indoor use, automated spectrum management system for wireless licenses and SACFA clearance implication to SACFA, WPC clearance for V-SAT and received only V-SAT and other wireless installation.

(k) Various users permitted to use 1880-1900 MHz for provision of various micro cellular services under their licenses.

(l) Initiatives have been stepped to promote manufacturing of Telecom equipment in the country by reducing the custom duty of all imports of components and raw materials. There were 78 CMTS licenses owned by 22 companies for 23 license areas out of which 24 licenses have been approved for migration to unified access licenses service.

(m) Telecom Regulatory Authority of India (TRAI), vide its amendment to Interconnect Usage Charges Regulation 2006 dated February 23, 2006, mandated that there will not be any ADC on per minute basis on domestic calls. ADC on international long distance traffic shall continue to be on per minute basis but at a reduced rate of Rs.1.60 per minute for incoming international calls. ADC on outgoing international calls has been reduced to Rs.0.80 per minute. All licensees of Unified Access Service, Cellular Mobile Telephone Service, National long Distance Service and International Long Distance Service shall pay 1.5% of their AGR as ADC to the BSNL. BSNL will retain ADC chargeable as percentage of its AGR. Unified Access Service Licensee/BSOs retain ADC as percentage of AGR of wire line subscribers and the balance shall be paid to the BSNL. For estimation of ADC as a percentage of AGR, of access providers, the revenue from the rural subscribers shall be subtracted.