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सत्यमेव जयते

दूरसंचार विभाग
Department of Telecommunications
संचार मंत्रालय
Ministry of Communications
भारत सरकार
Government of India
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New Delhi

त्रैमासिक न्यूज़लेटर Quarterly Newsletter



Today, India is one of the fastest moving telecom markets in the world with its unprecedented increase in tele-density and sharp decline in tariffs. Such vibrancy in the telecom market is playing significant role in the country's economic growth.

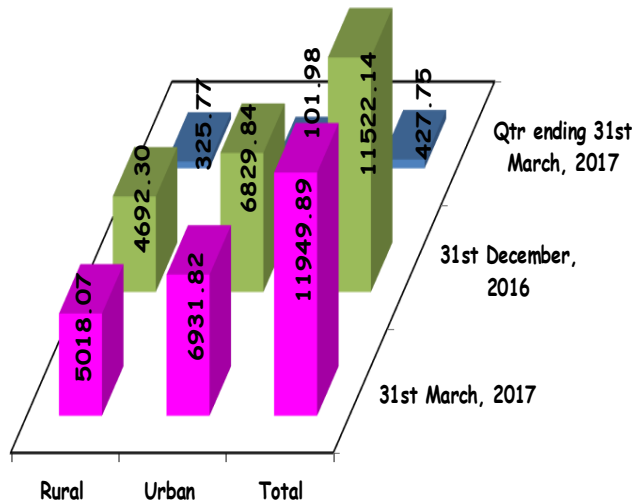
The Government has launched an ambitious '**Digital India**' programme to transform India into a digitally empowered society. As part of this ambitious programme, the Government has initiated the project BharatNet, a high speed digital highway to connect Gram Panchayats, which has the potential to connect every nook and corner of the country digitally and deliver e-governance services to its citizens.

This Quarterly Newsletter highlights the major initiatives and achievements of the DoT, during the quarter ending **March, 2017**.

I. Indian Telecom Scenario

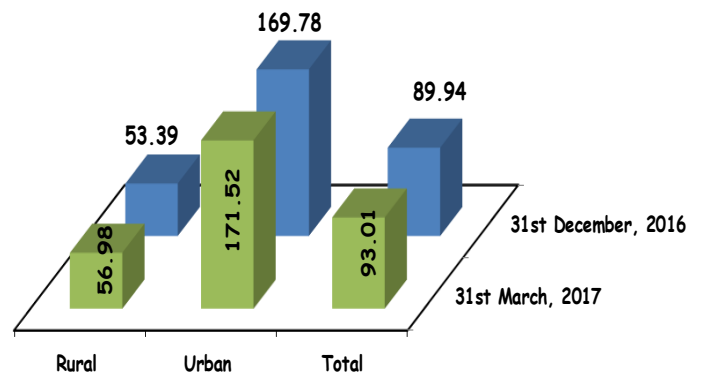
The number of telephones has increased to 11949.89 lakh as on 31st March, 2017 from 11522.14 lakh on 31st December, 2016, registering an increase of 427.75 lakh during the period. This rise is attributed to an increase in number of telephones in the private sector by 386.63 lakhs during the period.

Telephones



The tele-density, which was 89.94% in the beginning of the quarter increased to 93.01% by the end of the March 2017.

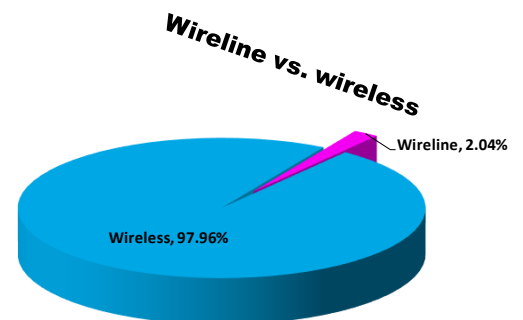
Tele-density



II. Compositional Changes

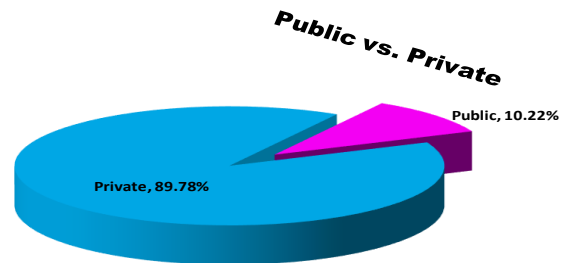
i. Wire line Vs. Wireless

The preference for use of wireless telephony continues. This is confirmed from the rising share of wireless phones, which has reached 97.96% (11705.88 lakh) as on 31st March, 2017. On the other hand, the share of wire line was 2.04% (244.01 lakh) as on 31st March, 2017.



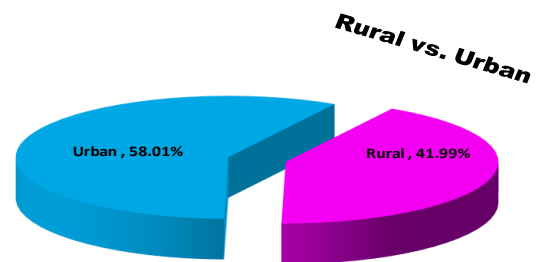
ii. Public Vs. Private

In public sector, there was an increase of 41.12 lakh phones during the quarter ending March, 2017. However, in private sector there was increase of 386.63 lakh phones during the same period and total telephones in the country increased by 427.75 lakh. The public sector having 1221.77 lakh (10.22%) phones as against 10728.12 lakh (89.78%) phones of the private sector as on 31st March, 2017.



iii. Rural Vs. Urban

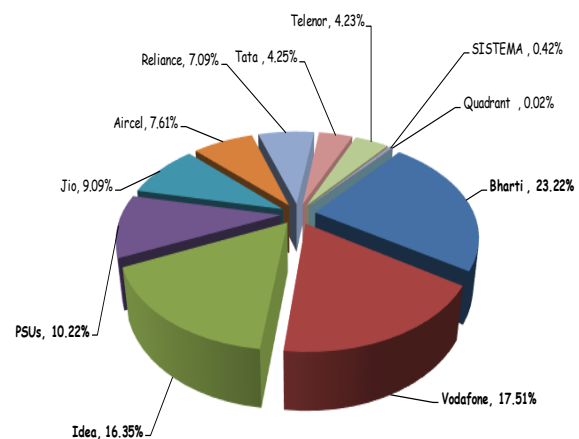
There has been increasing trend in the share of rural phones in the total phones. As on 31st March, 2017, the share of urban was 58.01% (6931.82 lakh) compared to 41.99% (5018.07 lakh) of rural areas.



The rural tele-density stands at 56.98% as compared to the urban tele-density of 171.52% as on 31st March, 2017.

iv. Operator wise performance

The operator-wise analysis indicates that PSUs' still have a large share of 70.29% in the wire line segment. Private operators, on the other hand, have a share of 91.03% in the wireless segment and 89.78% in total phones reported as on 31st March, 2017. Bharti has the highest share of 23.22% in the total telephones, followed by Vodafone (17.51%), Idea (16.35%), PSUs (10.22%) and Jio (9.09%).



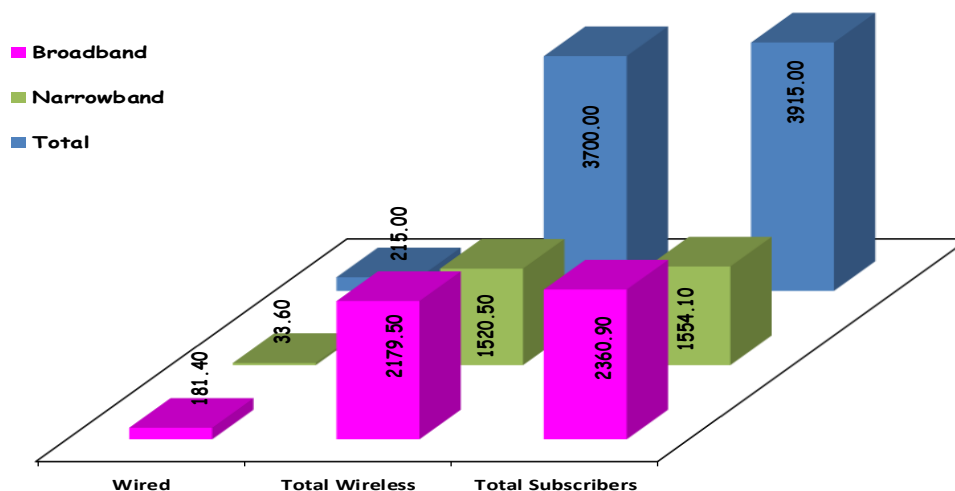
Operator wise detail

v. Internet Penetration

Internet usage in the country is on the increase. The number of Internet subscribers (both broadband and narrowband put together) which was 3426.50 lakh at the end of Mar.'16 has increased to 3915.00 lakh by the end of December, 2016, a rise of 14.25%.

Trends of Internet Subscribers (in Lakh)					
Total Internet Subscribers (Includes wired, fixed Wireless and Mobile Wireless)	Dec.'15	Mar.'16	June'16	Sept.'16	December'16
		3316.60	3426.50	3504.80	3674.80

Internet subscriber base in India - December 2016 (in lakh)



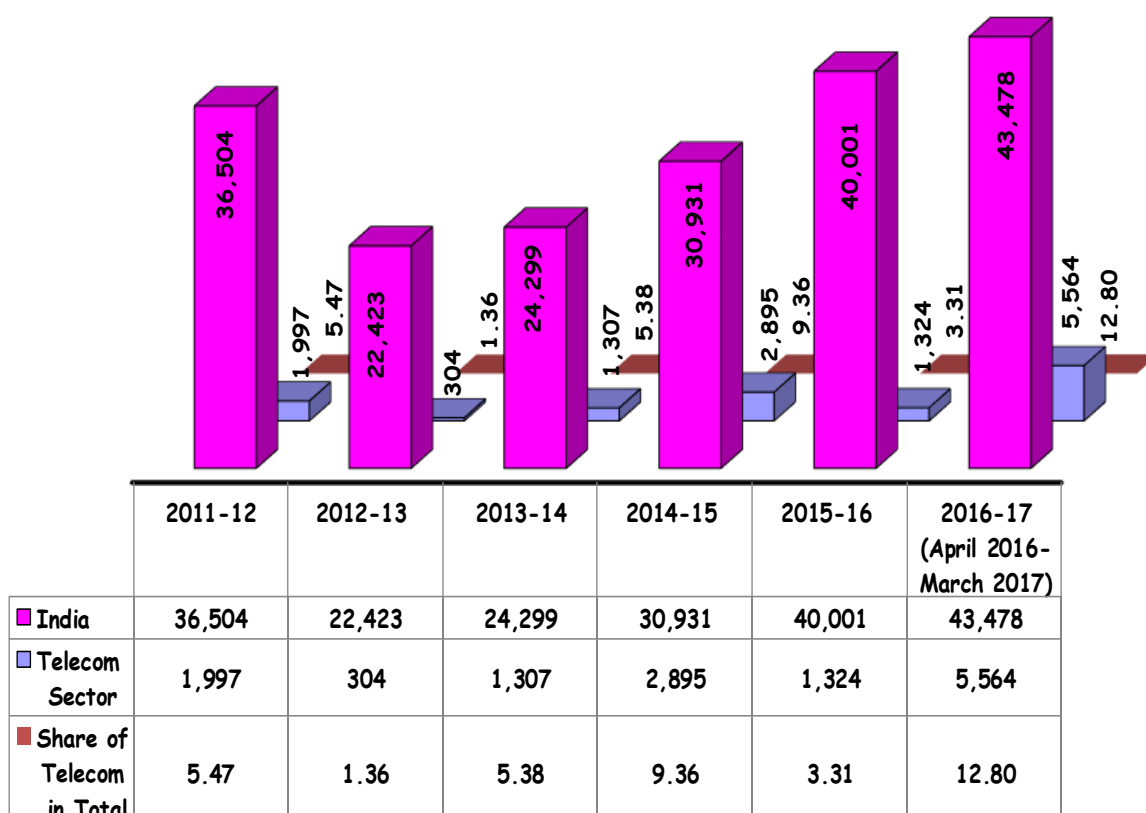
The number of subscribers accessing internet via wireless phones etc. was 3700.00 lakh and there were 215.00 lakh wired internet subscribers at the end of December, 2016. Wireless internet subscribers constitute 94.51% of the total internet subscribers.

The number of Broadband subscribers, which was 2360.90 lakh at the end of 31st December'16, increased to 2765.10 lakh as on 31st March'17 with an increase of 404.20 lakh.

III. Foreign Direct Investment (FDI) Inflows

FDI in telecom sector has helped the expansion of telecom services in the country which has led to affordable telecom services to the masses and created greater employment opportunities in the country. FDI up-to 100% is allowed in Telecom Services, with up-to 49% being permitted via automatic route and beyond 49% via government route. FDI up-to 100% is also allowed in manufacturing of telecom products under the automatic route.

FDI Equity Inflows (US\$ in million)



Actual flow of FDI inflow in telecom sector "April 2000 to March 2017" is of the order of US\$ 23,946 million (130,164 crore). During the period April 2016 - March 2017, Telecommunications Sector attracted FDI Equity inflows of US\$ 5,564 million (37,435 crore) out of total FDI Equity inflows of US\$ 43,478 million (291,696 crore). This is 12.80% of the total FDI Equity Inflows in India during the period.

Important Initiatives/Achievements in Department of Telecommunications during the quarter ending November, 2016 are as under:

IV. Skill Development

In this quarter two meetings for review of skill development activities were conducted.

a) On 20th Jan' 2017, the Skill Development review meeting was convened under the Chairmanship of Member (Services) to discuss the modalities in regard to Skill Development trainings at BSNL and other PSU training centres with the coordination of TSSC and with MSDE funding in which BSNL, MTNL, TCIL, ITI and TSSC representatives were present.

b) Second meeting was convened under the Chairmanship of Sr DDG(SD) on 7th Mar' 2017 to review the progress in Skill Development trainings at BSNL training centres with MSDE funding through GISD, the BSNL's training agency.

In addition to above, on 9th Feb' 17 BSNL has launched RPL (Recognition of Prior learning) Trainings approved by NSDC for its 10,000 employees. The launch function was chaired by Member (Services) and attended by Sr DDG SD DOT, Director (HR) BSNL, CEO(TSSC) and other stakeholders



On 24th Feb' 2017, Shri subrat kumar prusty Director (SD&E) has given a talk on 'Digital India in Global IT Spectrum' Visakhapatnam and also to technical faculties of Andhra University at Visakhapatnam on Skill Development. This meeting was also attended by representatives from Defence.



V. MAJOR ACHIEVEMENTS, ACTIVITIES AND PERFORMANCE OF TRAI

TRAI has played catalytic role in the development of the telecom, broadcasting and cable services. It has been its endeavor to provide an environment, which is fair and transparent, encourages competition, promotes a level-playing field for all service providers, protects the interest of consumers and enables technological benefits to one and all.

Under the TRAI Act, 1997, TRAI is mandated, inter-alia, to ensure compliance of the terms and conditions of license, lay down the standards of quality of service to be provided by the service providers and ensure the quality of service, specify tariff policy and recommend conditions for entry of new service providers as well as terms and conditions of license to a service provider. TRAI's scope of work also includes consideration and decisions on issues relating to monitoring of tariff policy, commercial and technical aspects of interconnection, principles of call routing and call handover, free choice and equal ease of access for the public to different service providers, resolution of conflicts that may arise due to market developments and diverse network structures for various telecom services, need for up-gradation of the existing network and systems, and development of forums for interaction amongst service providers and interaction of the Authority with consumer organizations. During the Fourth quarter of financial year 2016-17 i.e. January – March 2017, the Authority, in discharge of its functions assigned under the Telecom Regulatory Authority of India Act, 1997, has given Recommendations, framed Regulations and issued Tariff Orders which are discussed in the following paragraphs:

Recommendations

(i) Recommendations dated 20th January 2017 on "In-Building Access by Telecom Service Providers"

In order to develop a framework for in-building facilities to enable the telecom operators to obtain efficient access on reasonable terms and conditions, TRAI has made recommendations on 'In-Building Access by Telecom Service Providers'. Some of the main recommendations are:

- TSPs/IP-Is be mandated to share the in-building infrastructure (IBS, OFC and other cables, ducts etc.) with other TSPs, in large public places, commercial complexes and residential complexes in transparent, fair and non-discriminatory manner.
- Indulgence into exclusive contract prohibiting access to other TSPs may be treated as violation of the license agreement / registration.
- Suitable provisions for the creation of Common Telecom Infrastructure (CTI) inside the building should form part of the Model Building Bye-Laws.
- The essential requirement for telecom installations and the associated cabling should be formed part of National Building Code of India (NBC), being amended by Bureau of Indian Standards (BIS).
- Completion certificate to a building to be granted only after ensuring that the CTI as per the prescribed standards is in place.
- Access to building including CTI facilities be available to the TSPs on a fair, transparent and non-discriminatory manner and minimum three TSPs/IP-Is should have presence in the building.

(ii) Recommendations dated 31st January 2017 on “Issues related to Digital Terrestrial Broadcasting in India”

The salient features of these recommendations are as follows:

- Introduction of DTT services throughout the country in a time bound manner.
- Private players should be permitted to provide DTT services along with the public service broadcaster.
- Implementation of DTT services in the country in Hybrid mode having main transmitter in MFN and gap fillers in SFN.
- Public broadcaster may be permitted to operate maximum three transmitters (8 MHz X 3) at a given location out of which one (8 MHz) may be exclusively used for provision of mobile TV services.
- Private broadcasters may be permitted to operate maximum four transmitters (8 MHz X 4) at a given location subject to availability of spectrum.
- Maximum number of DTT providers may be capped at five (one public broadcaster and four private broadcasters) as per availability of spectrum.

- Ministry of Information and Broadcasting in consultation of WPC of DoT and other technical agency such as BECIL may carry out comprehensive frequency planning for roll out of DTT services in time bound manner such exercise should be completed within a period of six months to ensure that the roadmap for digitization of terrestrial network and introduction of DTT services as suggested by the Authority could be planned and implemented.
- The term and condition regarding allocation of spectrum to DTT operators, frequency slots for auctions, Reserve price etc. will be given by the Authority once these recommendations are accepted by the government.
- Allocation of spectrum should be done in time bound manner so that spare and unutilized spectrum in band IV and band V can be put to effective use.
- Transmission Network Model is an appropriate model for implementing DTT service in the country.
- Digital Terrestrial transmission may be implemented in the country in three phases with complete migration and analog switch off by December 2023.
- Phase wise DTT migration and analog switch-off may be done as per the timelines prescribed below: Phases Timeframe Phase-I (Metro cities) 31st December, 2019 Phase-II (Cities having more than 10 lakh population as per Census 2011) 31st December, 2021 Phase-III (Rest of India) 31st December, 2023.
- A minimum overlap of three months must be provided as simulcast period for migration from Analog to digital platform before analog switch off.
- In order to create a supportive eco-system, Ministry of Information and Broadcasting along with Ministry of Electronics and Information Technology may devise policy framework to make available DTT compliant devices.
- A Coordination Committee may be set up by the Ministry of Information and Broadcasting to steer implementation of DTT as a mission mode project to ensure creation of a facilitating environment and timely completion.

(iii) Recommendations dated 7th March 2017 on "Spectrum Usage Charges and Presumptive Adjusted Gross Revenue for Internet Service Providers and Commercial Very Small Aperture Terminal Service Providers"

The salient features of the recommendations are given below:

- The existing system of spectrum assignment on location/link-by-link basis on administrative basis to ISP licensees in the specified bands (viz 2.7 GHz, 3.3 GHz, 5.7 GHz and 10.5 GHz) to continue.
- Minimum presumptive AGR should not be made applicable to ISP licensees.
- SUC should not be levied as percentage of AGR and existing formula based mechanism of charging SUC to continue and also the existing system of payment of SUC charges on annual basis by ISP licensees should continue.
- The interest for delayed payment of SUC by ISP licensees should be 2% above the SBI PLR rate existing on the beginning of the relevant financial year and there should be no requirement of FBG for ISP licensee in respect of formula based SUC payable.
- The minimum presumptive AGR should not be made applicable to commercial VSAT license.
- The SUC should not be more than 1% of AGR irrespective of the data rate.
- DoT may take up with DoS to evolve a system where the VSAT licensees are not made to run from pillar to post to get their services activated. The clock should start from the day the bandwidth is allotted by DoS and DoT should allot frequency within 3 months of allotment of spectrum by DoS. The two departments may also explore the possibility of implementing an on-line application for automating the whole process to bring in transparency.
- DoT should make arrangement to accept online payment of financial levies/ dues such as LF, sue and other fees that are paid by the licensees for obtaining licence/ approval/ clearance / issue of NOe from DoT.
- DoT should put in place a comprehensive, integrated on-line system that acts as a single window clearance for the allocation/ clearances/ issuance for approval / clearance / issue of NOe and other permissions to the licensees.

(iv) Recommendations dated 9th March 2017 on “Proliferation of Broadband through Public Wi-Fi Networks”

With a view to encourage a new set of small players in the Wi-Fi service provisioning space, who will be able to contribute in a big way in making broadband available to the masses, TRAI

issued its Recommendations dated 9th March 2017 on "Proliferation of Broadband through Public Wi-Fi Networks".

The salient features of the recommendations are as follows:

- Existing requirement of authentication through OTP for each instance of access may be done away with. Authentication through eKYC, eCAF and other electronic modes be allowed for the purposes of KYC obligations. In consultation with the security agencies, DoT may consider authentication by MAC ID of the device or through a mobile APP which stores eKYC data of the subscriber and automatically authenticate the subscriber.
- The import duty applicable upon Wi-Fi access point equipment be revisited in coordination with the Ministry of Commerce. This will reduce cost of providing Wi-Fi service in the country leading to proliferation of broadband services.
- A new framework should be put in place for setting up of Public Data Offices (PDOs). Under this framework, PDOs in agreement with Public Data Office Aggregators (PDOAs), should be allowed to provide public Wi-Fi services. This will not only increase number of public hotspots but also make internet service more affordable in the country.
- PDOAs may be allowed to provide public Wi-Fi services without obtaining any specific license for the purpose. However, they would be subject to specific registration requirements (prescribed by the DoT) which will include obligations to ensure that e-KYC, authentication and record-keeping requirements (for customers, devices and PDOs enlisted with the PDOAs) are fulfilled by the PDOAs. This will encourage village level entrepreneurship and provide strong employment opportunities, especially in rural areas.
- Authentication through eKYC, eCAF and other electronic modes be allowed for the purposes of KYC obligations cast upon PDOAs. This would enable PDOAs to obtain eKYC information and automatically authenticate the user device based on parameters such as the device's MAC ID or through a mobile APP, which will store data required for authentication of the subscriber. This will further improve user experience.
- PDOAs be allowed to enter into agreements with third party application/ service providers for the purposes of managing authentication and payment processes. Appropriate guidelines may be issued to ensure that customer consent is obtained, and

other issues surrounding privacy and protection of sensitive personal information are addressed. This will encourage innovation in authentication and payment processes resulting in ease in access of the Wi-Fi services.

(v) Recommendations dated 10th March 2017 on “Complaints/ Grievance Redressal in the Telecom Sector”

The salient features of the recommendations are:

- The Authority recommended that an Office of Telecom Ombudsman may be established.
- The ombudsman can be established under rules framed by the Central Government, similar to the institution of the insurance ombudsman under the Redress of Public Grievances Rules, 1998 (RPG Rules).
- Alternatively, the Government can choose to create the ombudsman office through a legislation to be passed by the Parliament. A three stage grievance redressal mechanism for telecom sector is proposed as follows:
 - i. Resolution by TSPs
 - ii. Resolution by Consumer Grievance Redressal Forum [CGRF]
 - iii. Determination by Telecom Ombudsman.
- The consumer should in the first instance approach the complaint center of the TSP to seek a solution. It will be the duty of the TSP to look into the request and address the consumer's concerns within the time frames stipulated by the Authority.
- CGRFs are proposed at LSA/State level by leveraging existing field formations of DoT like PG Cells, TERM Cells etc. that already has a reasonable presence across the country. The CGRF shall be primarily responsible for settling the facts, facilitating mediation and will also offer a solution if the parties themselves cannot arrive at a settlement.
- If not satisfied with the process at the level of CGRF, the consumer may choose to proceed for determination by the Ombudsman. Ombudsman will be required to act in accordance with the principles of natural justice. It will have the power to award compensation to the consumer, award costs and issue directions to the TSP for the performance of specific obligations. The decision of the Ombudsman will be final and binding on the parties.

- The ombudsman will have offices at national levels and sub-national levels covering each State.
- It should be technology-driven solution that can provide redress remotely to consumers using their phones, Internet etc. Consumers should be able to access local facilitation centers to register their complaints, from where the information would be fed into a centralized database. TSPs will be required to maintain video calling facilities at their local offices, which can be used by the consumer to interact with the CGRF or Ombudsman's office, in case it is required.
- The centralized web based system will allow flow of information from each level of the grievance redressal mechanism to the Ombudsman, thereby obviating the need for the same information to be provided again at various stages.
- A portion of the existing, not in addition, license fee, is recommended as the funding mechanism for the CGRF and Ombudsman. In addition to this fixed fee there will be a variable component payable by each TSP depending on the volume of complaints being filed against it and admitted before the ombudsman's office.

(vi) Recommendations dated 29th March 2017 on “Sharing of infrastructure in Television Broadcasting Distribution Sector”

The objective of these recommendations to the Central Government is to create a policy environment for facilitating sharing of infrastructure in TV broadcasting distribution sector on voluntary basis. Infrastructure sharing would help in enhanced availability of distribution network capacities. As sharing implies joint use of a resources by multiple users, the policy so framed would result in reduction in Capital Expenditure (CAPEX) and Operative Expenses (OPEX) for the service providers thereby bringing down the price of broadcasting services to subscribers. In addition, it would lower the entry barriers for new service providers and provide more space for niche channels - necessary for satisfying the diverse needs of general public - to reach targeted customers. Lowering of entry barriers in the distribution space could propel competition in the market and more choices to consumers due to presence of multiple operators in a given territory.

REGULATIONS

(i) The Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) Regulations, 2017 dated 3rd March 2017

TRAI finalized and issued the Telecommunication (Broadcasting and cable) Services Interconnection (Addressable Systems) Regulations, 2017 on 3rd March 2017.

The salient features of the regulations are:

- A common regulatory framework for all types of TV distribution platforms providing services through Addressable systems.
- Availability of signals to service providers on non-exclusive and non-discriminatory basis.
- Ensuring access to the distribution networks for re-transmission TV Channels on all types of distribution platforms on non-exclusive and non-discriminatory basis.
- The Broadcasters and Distributors shall devise and design their reference interconnection offers (RIOs) for providing signals of TV Channels and access to the distribution networks respectively, in conformance with the regulations and the tariff orders notified by the Authority and declare the same.
- Time bound provisioning of signals of TV channels & access to the network on the basis of transparent RIO framework.
- Interconnection agreements to be signed between broadcasters and distributors on the basis of RIO.
- Prescription of ceiling on maximum discount which can be offered by a broadcaster to a distributor to ensure level playing field and to make sure that non-realistic prices of carriage fee are not declared by distributors to broadcasters.
- Prescription of a framework for placement of a TV Channel in the Electronic Programme Guide (EPG).
- Prescription of a framework for subscription reports and audits.

(ii) Telecommunications (Broadcasting and Cable) Services Standards of Quality of Services and Consumer Protection (Addressable Systems) Regulations 2017 dated 3rd March 2017

The salient features of the Regulations are:

- It is a common framework for standards of QoS and consumer protection across digital addressable platforms viz DTH, Cable TV, IPTV, HITS.
- Choice of subscription to a-la-carte channels and bouquets of channels by subscribers have been simplified.
- Standardization of dissemination of information related to services offered by DPOs through a customer care programming service.
- Publicity of services across DPOs have been standardized by making a provision of creating a designated link on the website of the DPOs called “Consumer Corner”.
- Mandatory offering of all channels and bouquets available on DPO platform on monthly subscription basis.
- Mandatory display of all channels and their MRP, available on the DPO platform in the electronic programme guide for easy navigation and identification by subscribers.
- Simplification of Consumer premises equipment/Set Top Box schemes.
- Simplification of Consumer Application Form (CAF) and encouraging use of electronic CAF.
- Subscribers can get services temporarily suspended for up to three months in a year.
- Mandatory provision for recording the consent of the subscribers for any change in the subscribed packages.
- Protection of consumer interest in case of prolonged and continued disruption in service beyond 72 hrs.
- Use of ICTs for subscription and management of services.

TARIFF ORDERS

(i) Telecommunications (Broadcasting and Cable Services (Eighth) (Addressable Systems) Tariff Order 2017 dated 3rd March 2017

The salient features of the Tariff Order are:

- Broadcasters to declare maximum retail price(MRP) (excluding taxes), per month, of their a-la-carte pay channels for subscribers.
- A broadcaster can also offer bouquets of its pay channels and declare MRP (excluding taxes) of bouquets for subscribers. However, MRP of such bouquets of pay channels will not be less than 85% of the sum of maximum retail price of the a-la-carte pay channels forming part of that bouquet.
- Separate bouquet for pay channels and free-to-air channels.
- Charges payable by a subscriber for distribution network capacity and channels have been separated.
- The distribution network capacity required for initial one hundred Standard Definition (SD) channels can be availed by a subscriber by paying an amount, not exceeding Rs.130/- (excluding taxes) per month to the distributor of TV channels.
- Within the capacity of 100 SD channels, apart from the channels to be mandatorily provided to subscribers as notified by the Central Government, a subscriber will be free to choose any free-to-air channel, pay channel, or bouquet of pay channels offered by the broadcasters or bouquet of pay channels offered by the distributor of television channels or bouquet of free-to-air channels offered by the distributor of television channels or a combination thereof.
- No separate charges, other than the Network Capacity Fee, to be paid by the subscribers for subscribing to free-to-air channels or bouquet of free-to-air channels.
- The additional capacity, beyond initial one hundred channels capacity, can be availed by a subscriber in the slabs of 25 SD channels each, by paying an amount not exceeding Rs.20/- per such slab, excluding taxes, per month.
- Every distributor of television channels shall offer all channels available on its network to all subscribers on a-la-carte basis.

- Every distributor of television channels shall declare distributor retail price of each pay channel and bouquet of pay channels payable by a subscriber.
- A subscriber can choose a-la-carte channels of its choice.
- Distributors of television channels are permitted to form bouquets from a-la-carte pay channels and bouquet of pay channels of broadcasters. However, distributor retail price of such bouquets of pay channels shall not be less than 85% of the sum of distributor retail prices of the a-la-carte pay channels and bouquets of pay channels of broadcasters forming part of that bouquet.
- A subscriber has to pay separate charges, other than the Network Capacity Fee, for subscribing to pay channels or bouquet of pay channels.
- Distributors of television channels have to offer at least one bouquet, referred to as basic service tier, of 100 free-to-air channels including all the mandatorily channels to be provided to the subscribers as notified by the Central Government. This bouquet will be one of the options available for subscription to customers. It will be the subscriber who will be free to exercise his option.
- Any pay channel having a-la-carte MRP of more than Rs.19/- per month (excluding taxes) shall not form part of any bouquet either by the broadcaster or by the distributor of television channels.
- Any bouquet formed either by the broadcaster or by the distributor of television channels shall not contain both HD and SD variants of the same channel.

(ii) Telecommunications (Broadcasting and Cable Services (Eighth) (Addressable Systems) Tariff (Amendment) Order 2017 dated 30th March 2017

TRAI issued the Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff Order, 2017 on 3rd March 2017 to provide the tariff framework applicable to broadcasting services relating to television provided to subscribers, through addressable systems throughout the territory of India.

*जारीकर्ता: सांख्यिकी अनुभाग, दूरसंचार विभाग
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