

URL: <http://www.livemint.com/Industry/ikC6atUsQYN2O6Zdw9AbqN/DoT-draws-up-list-of-...>



First Published: Mon, Jul 07 2014. 11 05 PM IST

Telecom department draws up list of pending policy issues
Merger of BSNL and MTNL, and auction of spectrum among issues to be implemented in 6 months to 5 years

[Shauvik Ghosh](#)



According to a telecom department note, the government expects to auction spectrum in the 800MHz, 900MHz, 1800MHz, 2100MHz and 2300MHz bands in the next nine months. Photo: Mint

New Delhi: The department of telecommunications (DoT) has drawn up a list of 21 pending policy issues and the timeframe for their implementation.

The issues include the merger of state-run-telcos [Bharat Sanchar Nigam Ltd \(BSNL\)](#) and [Mahanagar Telephone Nigam Ltd \(MTNL\)](#), and the auction of all available spectrum. They will be implemented in a timeframe that ranges from six months to five years.

"Since the action of all the above issues is time-bound, concerned departments are requested to initiate steps for timely completion of these action points," an internal memo of the department, summarizing decisions made in a presentation to the Prime Minister, by then secretary [M.F. Farooqui](#) on 23 June, said. "This may be accorded top priority," the note added.

Farooqui retired at the end of June and additional charge of the department was given to department of electronics and information technology (DeITy) secretary [R.S. Sharma](#).

According to the note, the government expects to auction spectrum in the 800 megahertz (MHz), 900MHz, 1800MHz, 2100MHz and 2300MHz bands in the next nine months.

According to a separate note on the spectrum auctions, 184MHz in the 900MHz band, 104MHz in 1800MHz, 5MHz in 2100MHz, and 20MHz in 2300MHz band in 19 circles will be available for auction.

The government also plans to auction spectrum in the 700MHz band in the next two years. This band is considered the most efficient for high-speed wireless 4G data services for which many telcos are planning to use spectrum in the 1800MHz and 2300MHz bands.

The department will also work towards reviving the two state-run telcos by June 2016, the first note said. The reorganization and merger of BSNL and MTNL, a key proposal for the telcos, will be done in a year, it added.

DoT also plans to restructure the Universal Services Obligation Fund (USO) in the next nine months—something that has been proposed for a number of years. The fund currently has more than Rs.38,000 crore, of which Rs.20,000 crore is earmarked for the National Optical Fibre Network and another smaller amount is expected to go towards the Electronics Development Fund. Funded by mandatory payments by all telcos, USO seeks to invest in the creation of requisite infrastructure and the provision of services, especially in areas where it isn't immediately remunerative to do so.

A draft of the communication Bill, that will merge the various laws that currently govern the Indian telecom sector, including the Telegraph Act, will be ready by September 2014, the first note added. The Union cabinet is expected to approve the Bill by September 2015, after public and inter-ministerial consultations are completed.

The much-awaited guidelines on spectrum sharing, trading, delicensing and harmonization are expected to be implemented in the next 6-18 months, the note said.

The government is also looking at the introduction of virtual network operators (VNO), that has been on the backburner since 2009, when [A. Raja](#) was the communications minister. A VNO licence allows a company to buy communications capacity from a telco and resell it. The Telecom Regulatory Authority of India is currently working on the policy and, according to the note, the government expects to introduce the policy in a year's time.

A comprehensive communications plan for disaster management, announced as part of communications minister [Ravi Shankar Prasad](#)'s 100-day agenda, will also be out in the next nine months, the note said.

"They are being a little ambitious as most of the policies have been pending for a number of years. DoT has taken several ad hoc decisions in a sector ridden by conflicts between major players pulling it in often opposing directions. The minister has said that decisions will be made on merit alone. If he is successful in doing that, then there should not be a problem," [Mahesh Uppal](#), director with [Com First \(India\) Pvt Ltd](#) said. "Also, much will depend on whether DoT can raise funds for its massive plans. This will require it to move faster on auction of spectrum, especially 2100MHz."