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MEMBER OF PARLIAMENT
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Dear Rao Indrajit Singh ji

20 October, 2010

Sub.: Subjects for Standing Committee on Information Technology 2010-11

There are many critical and structural issues facing the IT, Telecom and I&B sector – that have to do with roles and performance of Regulatory Institutions, Government Policy and the actual true performance of the sector. The Parliamentary Standing committee on IT has a unique opportunity to steer the Government towards 'real' solutions to these challenges and problems, and must do so under your Chairmanship.

I draw your attention to the following important facts :

- a) In the recently published report by the International Telecom Union (ITU), India's development index in ICT (Information and Communication Technologies) Development Index (IDI) has actually slipped two positions. In Asia and Pacific region, India has come down from a rank of 20 amongst 24 countries, to 22 between 2002 and 2008. During the same period, China's position has improved by three slots, moving from 15 to 12 and Pakistan has also improved by three positions, from 27 to 24. This data has been ratified by TRAI in its Consultation Paper on National Broadband dated 10 June, 2010.

This shows that in spite of net additions of mobile subscribers, India is doing poorly vis-à-vis developing economies, even in the Asia Pacific. This needs a serious review and understanding as the ICT Development Index represents a more holistic picture of inclusive growth, rather than just a sub-sector picture emphasizing on mobile subscribers increase.

- b) The Hon'ble Prime Minister's recent statement that the performance of Independent Regulators has not been satisfactory – and that being one of the causes of the controversies in the issue of spectrum and license allocation.
- c) The recent press statements by major Multinational investors in domestic and international media, openly criticizing India's regulatory environment. This has a deep impact on foreign investment, not just in telecom, but in other infrastructure areas as well. It seems specific complaints have been filed with the PMO in this regard. This matter needs to be examined.



- d) There are many controversies relation to spectrum and its allocation. Based on the 3G spectrum allocation valuations, the Government needs to specify a policy for valuing 2G spectrum, including the price to be charged for spectrum already allocated. Additionally, a clear policy to revert the hundreds of MHz of unutilized or underutilized spectrum back to the government and its allocations through an open, transparent auction process – similar to the one adopted for 3G – needs to be initiated with immediate effect.
- e) 2010 was supposed to be the year of broadband. However, not only has India missed its 20 million broadband penetration target by 50%, but in fact, no policy measure has been announced even as the calendar year comes to an end. The issue of a proactive government policy / investments to foster broadband growth needs immediate attention.

Based on the above, I would suggest that the following new subjects be considered for examination:

a. Telecommunications

- 1. Current Status of Indian Telecom development, growth and policy – including the status of Cellular, Broadband, Rural Telephony – and measures to accelerate penetration and availability of all three segments.**
- 2. Review of functioning, performance and accountability of the Independent Regulator and gaps in the TRAI Act.**

These two subjects address the core challenges of Telecom sector. The Standing Committee would be doing a tremendous service in examining these.

Yours Sincerely,


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