



YEAR END REVIEW

2020



**DEPARTMENT OF
TELECOMMUNICATIONS**

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Tele-density reaches to 86.37%

Cost of data reduces to Rs. 10.55 per GB, enabling affordable internet access for millions of citizens

BSNL and MTNL turns EBIDTA positive in first half of FY 2020-21

COVID Quarantine Alert System (CQAS) developed for in-house monitoring and management of the quarantine geo-fence

Over 300 crore SMS alerts sent to citizens in 10 vernacular languages in 26 States/UTs for Covid-19 awareness under Covid-19 Savdhaan System

PM-WANI approved by Union Cabinet to accelerate proliferation of Broadband Internet services through Public Wi-Fi network in the country

A. INDIAN TELECOM SCENARIO

1. Telephone subscriptions: The telecom sector is the backbone for achieving various pillars of Digital India programme. The significant growth in this sector is a result of key reforms and initiatives undertaken by the Government. This has facilitated creation of infrastructure and investment in this sector leading to social and economic growth of all citizens, improved rural digital connectivity and near universal coverage of telecom services. India has the second largest number of telephone connections in the world. As on 30th October, 2020 the total telephone connections rose to 1171.72 million out of which 1151.73 million are mobile connections. The tele-density has reached 86.37%, while the rural tele-density is at 58.85%.

2. Internet and broadband penetration: Internet and broadband penetration in India has kept a rapid pace. The number of Internet subscribers stood at 776.45 million at the end of September 2020, Total broadband connections have reached 726.32 million in September 2020. This has accelerated the growth in internet traffic, with wireless data usage being 75.21 Exabytes during the period of January to September 2020. The cost of data has also reduced substantially to Rs. 10.55 per GB, enabling affordable internet access for millions of citizens.

B. REFORMS IN THE TELECOM SECTOR

1. While India today has one of the lowest data usage charges in the world and data usage per mobile subscriber has also galloped, the Average Revenue Per User (ARPU) has witnessed a fall, The telecom sector has also undergone consolidation. From more than 10 major Telecom Service Providers (TSPs), the sector now has 3 major private TSPs in addition to two PSUs, BSNL and MTNL. To give a boost to the sector, following steps have been taken by the Government

(i) Increase in time period for payment of spectrum acquired in auctions: Due to churning and consolidation in the telecom sector, number of operators in the sector got reduced leading to financial stress on few remaining players. Considering the financial stress in the Telecom Sector the Government, in March 2018, permitted to restructure the payment of annual spectrum charges from existing 10 annual instalments to sixteen instalments resulting in reduced annual cash outflow for the TSPS.

(ii) 1-2 years' moratorium for payment of spectrum acquired in auctions: Further to give the desired fillip to the sector, Government in November 2019 has taken another step to ease the financial stress of the TSPS. The Government gave an option to the TSPS to defer payment of the spectrum auction instalments due for the years 2020-21 & 2021-22, either for one or both years. The TSPS have chosen deferment of the annual instalments. The amounts which will not accrue to the Government in this period of moratorium have been spread equally in the remaining instalments to be paid by TSPs, while preserving the Net Present Value (NPV) of the payable amount.

2. Revival of BSNL and MTNL: The long pending matter of revival of BSNL and MTNL was approved by the Cabinet. The comprehensive revival plan consists of several measures including reduction of staff cost through Voluntary Retirement Scheme (VRS), allotment of spectrum for 4G services, monetization of land/building, tower and Fiber assets of BSNL/MTNL, debt restructuring through sovereign guarantee bond and in-principle approval of merger of BSNL and MTNL.

The Voluntary Retirement Scheme (VRS) was implemented successfully. Total 92,956 employees of both PSUs (BSNL — 78569 and MTNL— 14387) who opted for VRS have retired on 31.01.2020. The salary expenditure in BSNL and MTNL has reduced by around 50% (approx. RS. 600 crores per month) and 75% (approx, Rs. 140 crores per month) respectively. EBIDTA (Earnings before Interest, Taxes, Depreciation and Amortisation) have become positive in first half of FY 2020-21 in both BSNL and MTNL.

The process for spectrum allocation for 4G services to BSNL on pan-India basis including Delhi and Mumbai has been initiated and funds have been provisioned in FY 2020-21.

Sovereign guarantee of Rs. 15,000 crores have been extended to BSNL/MTNL BSNL and MTNL have raised the funds from the market to restructure existing high cost debt.

C. PROJECTS AND INITIATIVES

1. Service delivery in villages through BharatNet: For achieving the goal of Digital India programme, the Government is implementing the flagship BharatNet project in a phased manner to provide broadband connectivity to all the Gram Panchayats (approx. 2.5 lakh GPs) in the country. Under BharatNet project around 1.50 lakh Gram Panchayats (GPs) have already been connected with high speed broadband connectivity which will help in launching various services in the rural areas. As on 28.12.2020, Wi-Fi hotspots have been installed in GPs and about 4.8 Lakh Fiber to The Home (FTTH) broadband connections

have been provided. In addition to Wi-Fi hotspots, the number of GPs taken on SWAN (State Wide Area Network) stands at 5330. The scope of BharatNet has now been enhanced to connect all 6 Lakh inhabited villages in the country as per the directive of Hon'ble Prime Minister as part of address to the Nation on 15th August 2020. To leverage the potential and entrepreneurship of private sector, a major part of the roll out is being done through Public Private Partnership.

2. Submarine OFC Connectivity between Chennai and Andaman & Nicobar Islands: Prime Minister Shri Narendra Modi launched and dedicated to the nation, the submarine Optical Fiber Cable (OFC) connecting Andaman & Nicobar Islands to Chennai on 10th August 2020. The connectivity would now enable endless opportunities in the islands. Work for laying of 2300 KMs of submarine cable was completed before the target date. The task of laying the cables under the sea, surveying in the deep sea, maintaining the quality of the cable and laying of the cable with specialised vessels was not easy. The project also had to overcome challenges such as high waves, storms and monsoons and the tough times owing to Corona Pandemic.

3. Submarine OFC Connectivity between Kochi and Lakshadweep: During the 74th Independence Day speech on 15th August 2020, Honourable Prime Minister announced that in the next 1000 days, Lakshadweep will be connected with submarine optical Fiber cable. Union Cabinet On 9th December 2020 has approved the project connecting 11 islands of Lakshadweep to Kochi by 1300 KMs of undersea optical Fiber cable.

4. Comprehensive Telecom Development Plan for North Eastern Region (NER): In order to provide connectivity to uncovered areas of North Eastern Region (NER), the Department is executing a project to install of 2004 towers to cover 2128 villages and National Highways. More than 1,300 towers are now radiating. The Union Cabinet has also given its approval for provision of a Universal Service Obligation Fund (USOF) Scheme for providing mobile connectivity in around 6000 villages of Arunachal Pradesh, Meghalaya and other parts of North Eastern States to bring these regions to the mainstream.

5. Mobile connectivity to uncovered villages of and Ladakh: For providing connectivity to uncovered villages of J&K, Ladakh and other priority areas, the Government is implementing a scheme to provide mobile services on technology neutral outcome based approach in 354 villages.

6. 4G service in Aspirational Districts: A plan has been drawn up for provisioning of 4G based Mobile service in 502 uncovered villages of Aspirational Districts of four states namely, Uttar Pradesh, Bihar, Madhya Pradesh & Rajasthan at an estimated cost of Rs.686.71 crore.

D. MANAGEMENT OF COVID.19

1. COVID Quarantine Alert System (CQAS): For effective management of Covid19 pandemic Covid-19 Quarantine Alert System (CQAS) was developed for in-house monitoring and management of the quarantine geo-fence. Auto Emails / messages (SMS) are sent to State Government agencies, if any identified Corona +ve or quarantined person, moves away from his quarantined mobile tower area. As of now the system has been used by the Governments in 18 States and Union Territories. It has handled approx. 27 lakh targets (identified Covid +ve or quarantined person) and generated more than 18.30 crore quarantine breach alerts.

2. Covid•19 Savdhaan System: More than 300 crore SMS alerts were sent to citizens in 10 vernacular languages in 26 States/UTs for Covid-19 awareness.

E. OTHER INITIATIVES

1, Prime Minister's Wi-Fi Access Network Interface (PM-WANI): The Union Cabinet on 9th December, 2020 has approved setting up of Public Wi-Fi Networks by Public Data Office Aggregators (PDOAs) to provide public Wi-Fi service through Public Data Offices (PDOs) spread across length and breadth of the country to accelerate proliferation of Broadband Internet services through Public Wi-Fi network in the country. This framework takes forward the goal of National Digital Communications Policy, 2018 (NDCP) of creating a robust digital communications infrastructure across India. Proliferation of Broadband Services through public Wi-Fi is a step towards Digital India and consequential benefit thereon. This will encourage technology entrepreneurs to develop and deploy Wi-Fi technology solutions triggering Make in India. This new eco system will also enable new business models for shopkeepers as potential PDOs to provide high speed broadband services. No License Fee for providing broadband internet services using public Wi-Fi Hotspots will be charged. This step will massively encourage internet proliferation and penetration across the length and breadth of the country. Availability and use of Broadband will enhance incomes, employment, quality of life, ease of doing business etc.

2. Simplifying Regulations / and Reducing Compliance Burden for Business Process Outsourcing (BPO) / Business Process Management (BPM) / Information Technology enabled Services (ITeS): Unnecessary regulation and excessive compliance burden were becoming a major bottleneck for the BPO industry, which was otherwise poised for phenomenal growth. Earlier, the guidelines governing OSPs had provision for Work-From-Home (WFH) for their employees/ agents. However, due to the stringent conditions in the guidelines, WFH facility was not being utilized optimally. During the current pandemic of COVID19, OSPs and their customers started facing the challenge due to lockdowns and an urgent need was felt to simplify Work Form Home guidelines to enable continued operations of these entities without any hurdle and review the registration norms and guidelines governing Other Service Providers.

There was a pressing demand from OSPs seeking relaxation in the Terms and Conditions with respect to the 'Work From Home' in the wake of COVID-19. TRAI had also given certain recommendation on the issue. The Department of Telecommunications, with an aim

to qualitatively improve the Ease of Doing Business of the IT Industry particularly Business Process Outsourcing (BPO) and IT Enabled Services, held widespread consultations with all the stakeholders, and issued new guidelines, which will tremendously reduce the compliance burden of the BPO industry.

Under the new guidelines, the registration requirement for OSPs has been done away with altogether and the BPO industry engaged in data related work have been taken out of the ambit of OSP regulations. In addition, requirements such as deposit of bank guarantees, requirement for static IPs, frequent reporting obligations, publication of network diagram, penal provisions etc. have also been removed. Similarly, several other requirements, which prevented companies from adopting 'Work from Home' and 'Work from Anywhere' policies, have also been removed. Additional dispensations to enhance flexibility for the Industry have been allowed.

3. Development of Online License Management System of DOT: A web-based portal, "SARAL SANCHAR" (Simplified Application for Registration and Licenses) for issuing of various types of Licenses and Registration Certificates for OSPs (Other Service Providers) has been developed by the Department of Telecommunications. Apart from licensing applications following other applications are being processed on this portal:

(i) Standing Advisory Committee for Frequency Allocation (SACFA) clearance has been made online and end-to-end paperless. More than 25,000 sites have been cleared since the launch within a period of around 3 months. This is bringing in transparency and time efficiency.

(ii) In line with the priorities set by the Government in terms of ease of doing business and simplification in the regulatory compliance process, a progressive change in the regulatory policy provision in respect of Equipment Type Approval (ETA) has taken place. ETA and import licenses for certain categories of consumer products having wireless modules operating in the de-licensed band are now permitted through self-declaration by the applicant through this portal. Till date around 11000 ETAS have been given since the launch of the facility in April 2019.

4. 5G Technology: The emerging 5G technology has the potential for major societal transformation in India by enabling massive expansion of digital products and services across all sectors. In order to launch 5G services in India, DOT has setup indigenous 5G testbed, a consortium project led by IIT Madras and other leading institutions. A 5G hackathon was also organized for development of India specific use cases. First 5G use case lab has been setup at Institute for Development and Research in Banking Technology (IDBRT), Hyderabad in financial sector.

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