

INDIA Adopts A Unified Access Licensing Regime

The Union Cabinet of India endorsed a Unified Licensing Access Regime for fixed line and mobile telecom services in early November 2003. Under the new regime service providers are allowed to offer both mobile and fixed services under one license after paying an additional entry fee. The proposal was made by the Telecommunication Regulatory Authority of India (TRAI) in a consultation initiated in July 2003 and has spurred a stiff opposition by cellular operators.

The cellular industry criticized the new regime for being limited in scope since it is restricted to fixed line and mobile services and does not extend to national and international long-distance services and Internet access services. They also argued that the new regime would bring an unfair solution to the three-year-old dispute opposing GSM mobile operators and fixed operators using wireless in local loop technology to offer "limited-mobility" services.

Other telecom service providers and many analysts welcomed the new regime as a positive development in the Indian telecommunication regulatory framework, a development that is expected to open competition by giving operators flexibility to choose the technology to provide access. It is also expected to spur growth and to increase access. The regulator considers the new regime as an important first step towards a "service and technology neutral" convergence license. TRAI has already launched a new process recommending unified licensing beyond fixed and mobile services to extend to all services covering all geographic areas and using any type of technology.

Boutheina Guerhazi

G-REX Advisor

Adapted from: "Global News Analysis: India: Unified telecoms services license is created", The Economist Intelligence Unit, 19 November 2003
http://www.ebusinessforum.com/index.asp?layout=rich_story&doc_id=6847&title=India%3A+Unified+telecoms+services+licence+is+created&channelid=4&categoryid=30