Issues with TRAIs regulatory structure

What is the issue?

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- Telecom Regulatory Authority of India has proposed new recommendations for improving ease of doing business.
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- For timely implementation of these proposals concerns with regulatory structure need to be addressed.
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What business bottle necks are faced by telecom players?

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- Majority of the existing policies, guidelines and regulations were made during 90s, which were till not updated.
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- Telecom operators need licences to import network equipment,this is merely to ensure that the department of telecom is informed of the details of imported equipment for security reasons.
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- This is being a major bottleneck as getting a licence takes up to 1-2 months.
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- Approvals for merger and acquisition deals in the sector take a lot of time even after the companies involved have completed all the formalities.
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What are the higlights of the recommendations?

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- TRAI has identified 12 areas where the existing rules need to be changed.
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- It includes streamlining the process for imposing penalties on telecom

companies and a fixed time-frame for merger and acquisition deals.
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- Licenses for imported equipments now be easily done by asking the operators to submit periodic reports on imported equipment.
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- These changes will help telecom operators run their businesses more efficiently.
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What are the concerns with regulatory structure?

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- The recommendations of TRAI would require a major overhaul of the existing regulatory structure.
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- TRAI has only a recommendatory role with some powers to enforce licence terms and conditions.
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- There are multiple bodies within the telecom department that are responsible for these activities and often there is lack of coordination between them.
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- The major complication in the structure is that licensing power is with DoT while dispute settlement power is with the Telecom Dispute Settlement Appellate Tribunal.
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- This division of power has led to complications with one arm not agreeing with the other on several occasions.
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What measures need to be taken?

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- Over the years, governments have discussed the Communications Convergence Bill which envisages the creation of a ‘super regulator’ for the telecom and broadcasting sectors.
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- The main aim was to establish a single regulatory and licensing authority with defined powers, procedures and functions and an appellate tribunal,

these proposals needs to be implemented.
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Source: Business Line

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