

## The Draft Telecommunication Bill 2022

### Why in news?

In a bid to do away with British-era laws governing the telecom sector, the Department of Telecommunications issued the draft Indian Telecommunication Bill, 2022.

### What is the need for a new telecom bill?

- The new telecom Bill will provide a clear roadmap for industry restructuring and promote innovation.
- The bill provides scope to government to completely revamp the entire digital regulatory framework.
- It aims to balance the societal objectives, duties and rights of individuals and technology agnostic framework.

### What are the key amendments to existing telecom laws?

- **Consolidation of acts**- The draft Bill consolidates three separate acts that govern the telecommunications sector
  - Indian Telegraph Act 1885
  - Indian Wireless Telegraphy Act 1933
  - The Telegraph Wires, (Unlawful Protection) Act 1950
- **Inclusion of OTT**- The new-age over-the-top communication services like WhatsApp, Signal and Telegram has been included in the definition of telecommunication services.
- **Inclusion of service providers**- The providers of telecommunication services will be covered under the licensing regime and will be subjected to similar rules as telecom operators.
- **TRAI Act amendments**- The Centre is also looking to amend the Telecom Regulatory Authority of India Act (TRAI Act) to dilute its function of being a recommendatory body.
  - The proposed Bill does away with the provision that mandates the telecom department to seek the TRAI's views before issuing a new licence to a service provider.
  - It has also removed the provision that empowered TRAI to request the government to furnish information or documents necessary to make this recommendation.
  - It proposes to remove the provision where if the DoT cannot accept TRAI's recommendations or needs modification, it had to refer back the recommendation for reconsideration by TRAI.
- **Spectrum owned by a defaulting operator**- If a telecom entity in possession of spectrum goes through bankruptcy or insolvency, the assigned spectrum will revert to

the control of the Centre.

- **Powers to Centre-** The draft Bill gives the Centre powers to defer, convert into equity, write off or grant relief to any licensee under extraordinary circumstances.
- **Fund-** It proposes to replace the Universal Service Obligation Fund (USOF) with Telecommunication Development Fund (TDF).

*USOF is the pool of funds generated by the 5% Universal Service Levy that is charged upon all telecom fund operators on their Adjusted Gross Revenue.*

### **Why is the bill so significant?**

- Insolvency cases have not had much success because there was no clarity on the ownership of spectrum.
- The new Bill removes all ambiguity under the existing rules under the Insolvency and Bankruptcy Code.
- DoT is aiming to simplify the Mergers and Acquisitions (M&A) procedure in this sector paving way for easier restructuring and mergers.
- TRAI is being structured to work independently and responsible only to the parliament to prevent conflict of interest between the regulator and the licensor.
- The telecom service providers now seek a level-playing field with OTT apps over communication services such as voice calls, messages, etc.
- The TDF aims to boost connectivity in underserved urban areas, R&D, skill development, etc. whereas USOF has largely been used to aid rural connectivity.

### **References**

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2. <https://www.thehindubusinessline.com/info-tech/indian-telecommunication-bill-2022-paves-a-clear-path-for-insolvency-cases-stressed-telecom-assets/article65914478.ece>
3. <https://www.financialexpress.com/industry/telecom-bill-lays-roadmap-for-growth-and-innovation-ashwini-vaishnaw/2686556/>

### **Quick facts**

#### **OTT (Over-The-Top)**

- OTT is a means of providing television and film content over the internet at the request and to suit the requirements of the individual consumer.

#### **Telecom Regulatory Authority of India Act, 1997 (TRAI Act)**

- **Aim-** To establish the Telecom Regulatory Authority of India (TRAI) and Telecom Dispute Settlement Appellate Tribunal (TDSAT).
- **Purpose**
  - Regulate telecommunication services

- Adjudicate disputes
- Dispose appeals
- Protect the interest of the service providers and consumers
- Promote and ensure orderly growth of the telecom sector

