Dear Sh. Gary,

DoT through its letter No. 70-01/2013-SU dated 7th January 2014 had requested TRAI to provide its recommendations under section 11(1)(a)(iv) of the TRAI Act on a comprehensive Telecom Plan for Andaman & Nicobar Islands and Lakshadweep Islands after making a gap analysis and investment required for implementing the same.

2. To assess the existing telecom facilities, the gaps therein and the challenges in the development of telecom networks, a team of TRAI officers visited both ANI and Lakshadweep and held detailed consultations with the Union Territory (UT) administrations and the Telecom Service Providers (TSPs) operating in ANI and Lakshadweep Islands.

3. In the comprehensive telecom plan, prepared for Improving Telecom Services in these islands, the Authority has recommended capital investment of **Rs. 2278 crore approx.** The investment comprises **Rs. 1773 crore approx.** (including Rs. 1000 crore towards submarine cable project already approved by the Planning Commission) for ANI and **Rs. 505 crore approx.** (including 468 crore for submarine cable) for Lakshadweep. The Authority has recommended that, apart from one-time capital investment, the DoT/UT administration should compensate the telecom operation on yearly basis as viability gap funding. The Authority has recommended **Rs. 130 crore** (Rs. 104 crore for ANI and Rs. 26 crore for Lakshadweep) on annual basis for five years.

4. The Authority has put forth the following objective while formulating the telecom plan for these islands and in assessing the investment required:

   - Sufficient bandwidth for broadband and e-governance services.
   - 2G services in all towns/villages with population of 100 or more.
   - 3G services in all DHQs/SDHQs and towns.
   - Augmentation of 2G and 3G network in the towns/villages to improve coverage and traffic carrying capacity
   - Extending mobile coverage to entire National Highways
5. The Authority has also recommended some policy initiatives to facilitate telecom development in ANI and Lakshadweep. Some of them are:

- Annual satellite bandwidth hiring charges for providing telecom services in these islands should be borne by USOF completely.
- In GSAT-16, which is scheduled to be launched in 3rd quarter of 2014, at least 6 transponders of C-band may be allocated to BSNL exclusively for providing telecom services in ANI and Lakshadweep.
- BSNL should be permitted to hire satellite bandwidth directly from foreign satellites which are on the ISRO coordinated orbits.
- UT administrations should accord priority in the allotment of land and necessary permissions to BSNL/other TSPs for the establishment of any telecom infrastructure such as a tower or for laying OFC etc.

6. In keeping with practice, a copy of this letter, along with the recommendations, is being placed on the website of TRAI www.trai.gov.in

This letter issues with the approval of the Authority.

With Regard,

(Sudhir Gupta)

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