

TELECOM REGULATORY AUTHORITY OF INDIA

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TRAI reiterates its Recommendations pertaining to Local Loop Unbundling and Fiscal Incentives for Broadband

Concerned about slow uptake of Broadband in the Country, TRAI today recommended to the Government to review some of the provisions of Broadband Policy and to reconsider its recommendations pertaining to Local Loop Unbundling and Fiscal Incentives for Broadband.

As per the Broadband Policy issued by Government in October 2004, a target of 3 million subscribers' base for Broadband was to be achieved by all the service providers together by the end of year 2005, half of which was to be met by PSU operators.

As per the progress reports submitted by the various service providers, subscribers base of only 0.61 million for Broadband have been achieved by the end of September 2005, out of which 0.26 million belongs to PSU and 0.35 million to the private service providers together. Hence the actual achievement by various operators together is much below the policy target of 3.0 million for December, 2005, which is likely to be missed.

TRAI had made many recommendations for accelerating the growth of Internet & Broadband; some of the recommendations were not accepted:-

- (i) Recommendations pertaining to Local Loop Unbundling (LLU).
- (ii) Other Fiscal measures like tax concessions for Broadband equipments & services.

Many of the competitive service providers have mentioned that it would be difficult to achieve the Broadband Policy targets unless Local Loop Unbundling by incumbents is mandated by Government. Also urgent need for tax incentives for Broadband equipments & services has been brought out.

TRAI considering the importance of Local Loop Unbundling and Fiscal incentives for the growth of Broadband services has therefore recommended for reconsideration of its recommendations.

The letter to Secretary, DoT pertaining to this is available on TRAI website (www.traigov.in).

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