

Draft Telecommunication Bill 2022

September 24, 2022

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

Key features of the bill-

- The proposed Bill **aims to bring in sweeping changes to how the telecom sector is governed**, primarily by **giving the Centre more powers** in several areas to do so.
- With this bill, the **Centre aims to consolidate and amend the existing laws governing the provision, development, expansion and operation of telecommunication services, telecom networks** and infrastructure, in addition to assignment of spectrum.
- The draft Bill **consolidates three separate acts that govern the telecommunications sector** –
 1. Indian Telegraph Act 1885.
 2. Indian Wireless Telegraphy Act 1933, and
 3. The Telegraph Wires, (Unlawful Protection) Act 1950.
- One of the key changes is **inclusion of new-age over-the-top communication services like WhatsApp, Signal and Telegram in the definition of telecommunication services**.
- As per the draft law, **providers of telecommunication services will be covered under the licensing regime**, and will be subjected to similar rules as other telecom operators.
- The Centre is also looking **to amend the Telecom Regulatory Authority of India Act (TRAI Act) to dilute the sectoral watchdog's function** of being a recommendatory body.

- The **current TRAI Act mandates the telecom department to seek the regulator's views before issuing a new licence to a service provider**. The proposed Bill does away with this provision.
- The **Bill has also removed the provision that empowered TRAI** to request the government to furnish information or documents necessary to make this recommendation.
- Additionally, the new Bill also **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.
- The DoT has also proposed that **if a telecom entity in possession of spectrum goes through bankruptcy or insolvency, the assigned spectrum will revert to the control of the Centre**.
- So far, in insolvency proceedings, there has been a lack of clarity on whether the spectrum owned by a defaulting operator belongs to the Centre, or whether banks can take control of it.
- The **draft Bill also accords the Centre powers to defer, convert into equity**, write off or grant relief to any licensee under extraordinary circumstances, including financial stress, consumer interest, and maintaining competition, among other things.
- It also **proposes to replace the Universal Service Obligation Fund (USOF) with the Telecommunication Development Fund (TDF)**.
- USOF is the pool of funds generated by the 5 per cent Universal Service Levy that is charged upon all telecom fund operators on their Adjusted Gross Revenue.
- The USOF has largely been used to aid rural connectivity. However, **with the TDF, the objective is also to boost connectivity in underserved urban areas, R&D, skill development, etc.**