

TELECOM REGULATORY AUTHORITY OF INDIA

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TRAI releases Consultation Paper on 'Infrastructure Sharing'

Government of India has fixed target to provide 250 million telephones by December 2007 and 500 million telephones by 2010. At present approx. 90,000 towers have been commissioned to cater to 136 million wireless subscribers. In order to achieve the target fixed by the Government approximately 1,35,000 towers will be required by 2007 and 3,30,000 by 2010. Identifying sites for such a large number of towers is difficult task. Creation of infrastructure like towers and backhaul connectivity accounts for about 60% of cost. Thus it will not only entail high cost but would also extend time for roll out of the services.

Department of telecommunication (DOT) has given high priority to the issue of passive infrastructure sharing. The department has sought the views of Telecom Regulatory Authority of India (TRAI) for any amendments/changes in existing licensing conditions or legislation to encourage sharing of Infrastructure. It has also expressed its concern that while encouraging infrastructure sharing it should be ensured that same should not come in the way of growth of mobile services in the country.

The exponential growth of mobile subscribers and limited availability of spectrum forces mobile operators to setup more and more BTS sites. It is resulting in mushroom growth of the towers requiring huge investments and further deteriorates skylines in urban areas. Cluster of towers in close vicinity in urban areas are getting very common. As such, sharing of the infrastructure is the need of hour.

Presently infrastructure sharing is taking place mostly on a voluntary basis worked between the service providers. It has not picked up the desired momentum and there is no planned approach to achieve the task. Experience world over has indicated that sharing of infrastructure has given impetus for growth of subscribers as well as for covering rural and remotely areas. Replicating the same in India will bring similar advantages particularly in rural, far flung remote and densely populated urban areas.

DOT has already taken concrete measures for infrastructure sharing to facilitate deeper penetration in rural and remote areas. It has been decided to provide financial support through USO fund for setting up of the tower and active infrastructure like back haul etc to help service providers to roll-out their mobile services faster and with much lower investments in rural areas. It is expected that with three operators sharing common passive infrastructure, the cost of setting up telecom networks in rural areas will come down and operators would be able to provide the affordable telecom service to prospective rural subscribers.

The Authority has now issued a comprehensive consultation paper inviting the comments of the stakeholders on Infrastructure Sharing. The consultation paper discusses various innovative schemes to encourage infrastructure sharing considering the fact that it has not yet become a corporate strategy for promoting infrastructure growth. The paper goes beyond passive infrastructure sharing and explores the possibilities of infrastructure sharing. Other important issues like sharing of active infrastructure for launch of Mobile virtual network operator (MVNO) and to reduce roll out cost, encouraging deployment of non conventional sources of energy in rural areas etc have also been discussed. It has also examined the three possible routes for achieving the goals. The mandated and regulatory route, voluntary adoption, and financially induced framework are the modes of promoting infrastructure.

The consultation paper is available on TRAI's website: (www.traigov.in). All the stakeholders are requested to send their written comments through email/ fax/letter by 15th December, 2006.

Contact Address in case of any clarification

Advisor (CN), TRAI
Trikoot-I, Bhikaji Camaplace, New Delhi.
Tel. No. 011-26167914
Fax: 011-26191998
Email: skgupta@traigov.in.

Authorised to issue:

Advisor (CN)