

**SOCIETY FOR PROTECTION OF HUMAN RIGHTS**

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Mahanagar Doorsanchar Bhawan  
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**Sub: Capping of operators in the Telecom sector**

Dear Sir,

Around a decade back, an Indian citizen bribing a phone line man to rectify his connection was not a rare sight. Not only were Indian citizens paying excessive tariffs as a part of their telephone bill but were also harassed by unresponsive administration and the "babudom" foisted on them by the incumbent. Our country was witness to the reversal of this trend brought about by liberalization of this sector in the early 1990s. With the advent of competition in the sector, not only were the complacent white elephants (incumbents) shaken from their stupor but were also forced to lower tariffs, which in turn improved affordability and accessibility for the man on the street.

*In an attempt to cap the number of players in the sector, isn't the Telecom Authority forcing the progressive and constantly innovating telecom sector back to the era of limited choice, bureaucracy and stagnation?*

Telecommunications today have emerged as the springboard of ICT applications with economy-wide ramifications. Research has unambiguously demonstrated that telecom is the key driver which has improved living conditions across the poorer strata of the society thereby playing a pivotal role in bridging the divide between haves and have nots. A whole range of information based industry and applications have come up creating new sources of employment and earning, enhancing opportunity for the poor of this country. ICT has improved access for the poor to education, healthcare, governance and all aspects of business services. It has also improved the abilities of the poor to manage risks and mitigate vulnerabilities through access to timely information.

To put the situation in perspective, consider this - there was a waiting list of 2.85 million direct lines (1993) in the pre liberalization era in India. However, the numbers post 1995 reveal that there is significant growth in supply of phone lines in the late 1990s, which were the eventful years of sectoral reforms. The growth momentum created is sustained in the current decade.

*Why is the power of market forces, widely accepted by economists and businessmen worldwide being undermined by the authority?*

Competition is recognized as a key agent of change across the world. Not only has it forced companies to provide better quality of products and services, it has also constantly reduced the cost of acquiring the good/service in several sectors. In the Indian telecom sector, private competition was allowed in 1994. This regulatory change provided the much required impetus to the sector. Despite inequity in resources available between public sector incumbents and private operators, the act of opening up of the market unleashed dynamism that was hitherto latent in the sector.

However, by no means is the Indian Telecom vision complete! The full extent of the impact of development on businesses and consumers is still to come. The true potential of a mobile phone, as an integrated communications, entertainment and positioning device, is only beginning to be realized. The masses of the country still do not have access to the telephone service which has become an indispensable element of the urban Indian corporate and residential lives.

Does the underprivileged rural class of India residing in villages and in abysmal conditions - not deserve the benefits of the telecom revolution sweeping urban India?

After 60 years of independence and numerous 5 year plans, rural penetration in India is at a meager 6%! If the impetus set in motion in the early 1990s is allowed to develop and prosper, the aggressive expansion of telecommunications infrastructure in hitherto uncharted territories of geographically remote locations would unleash latent economic energies and market forces. Once this is achieved, our dream as enunciated in 'Vision 2020' will be a vision of wealthier and more equitable society full of creativity, innovation and competition.



We urge TRAI to carefully study the implications of its action of restricting competition in the Telecom sector and ensure that whatever steps are taken the interest of the common man is kept upper most in the mind.

Yours Sincerely,

*Mahipal*  
MAHIPAL, ADVOCATE  
(TRUSTEE)