

The Draft Telecommunication Bill 2022

Why in news?

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

What is the need for a new telecom bill?

- The new telecom Bill will provide a clear roadmap for industry restructuring and promote innovation.
- The bill provides scope to government to completely revamp the entire digital regulatory framework.
- It aims to balance the societal objectives, duties and rights of individuals and technology agnostic framework.

What are the key amendments to existing telecom laws?

- **Consolidation of acts-** The draft Bill consolidates three separate acts that govern the telecommunications sector
 - Indian Telegraph Act 1885
 - Indian Wireless Telegraphy Act 1933
 - The Telegraph Wires, (Unlawful Protection) Act 1950
- **Inclusion of OTT-** The new-age over-the-top communication services like WhatsApp, Signal and Telegram has been included in the definition of telecommunication services.
- **Inclusion of service providers-** The providers of telecommunication services will be covered under the licensing regime and will be subjected to similar rules as telecom operators.
- **TRAI Act amendments-** The Centre is also looking to amend the Telecom Regulatory Authority of India Act (TRAI Act) to dilute its function of being a recommendatory body.
 - The proposed Bill does away with the provision that mandates the telecom department to seek the TRAI's views before issuing a new licence to a service provider.
 - It has also removed the provision that empowered TRAI to request the government to furnish information or documents necessary to make this recommendation.
 - It 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.
- **Spectrum owned by a defaulting operator-** If a telecom entity in possession of spectrum goes through bankruptcy or insolvency, the assigned spectrum will revert to

the control of the Centre.

- **Powers to Centre-** The draft Bill gives the Centre powers to defer, convert into equity, write off or grant relief to any licensee under extraordinary circumstances.
- **Fund-** It proposes to replace the Universal Service Obligation Fund (USOF) with Telecommunication Development Fund (TDF).

USOF is the pool of funds generated by the 5% Universal Service Levy that is charged upon all telecom fund operators on their Adjusted Gross Revenue.

Why is the bill so significant?

- Insolvency cases have not had much success because there was no clarity on the ownership of spectrum.
- The new Bill removes all ambiguity under the existing rules under the Insolvency and Bankruptcy Code.
- DoT is aiming to simplify the Mergers and Acquisitions (M&A) procedure in this sector paving way for easier restructuring and mergers.
- TRAI is being structured to work independently and responsible only to the parliament to prevent conflict of interest between the regulator and the licensor.
- The telecom service providers now seek a level-playing field with OTT apps over communication services such as voice calls, messages, etc.
- The TDF aims to boost connectivity in underserved urban areas, R&D, skill development, etc. whereas USOF has largely been used to aid rural connectivity.

References

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2. <https://www.thehindubusinessline.com/info-tech/indian-telecommunication-bill-2022-paves-a-clear-path-for-insolvency-cases-stressed-telecom-assets/article65914478.ece>
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Quick facts

OTT (Over-The-Top)

- OTT is a means of providing television and film content over the internet at the request and to suit the requirements of the individual consumer.

Telecom Regulatory Authority of India Act, 1997 (TRAI Act)

- **Aim-** To establish the Telecom Regulatory Authority of India (TRAI) and Telecom Dispute Settlement Appellate Tribunal (TDSAT).
- **Purpose**
 - Regulate telecommunication services

- Adjudicate disputes
- Dispose appeals
- Protect the interest of the service providers and consumers
- Promote and ensure orderly growth of the telecom sector

