

**Information note to the Press
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TELECOM REGULATORY AUTHORITY OF INDIA

For Immediate release

**TRAI issues Consultation Paper on
'National Broadband Plan'**

New Delhi, 10th June, 2010 – The Telecom Regulatory Authority of India (TRAI) today issued a consultation paper on 'National Broadband Plan'.

Availability of Broadband services at affordable tariff will provide access to enormous information, facilitate delivery of civic services, increase GDP contributions, generate more employment and enhance productivity. Department of Telecom (DoT) has also made a reference to TRAI seeking its recommendations on the need to review the definition of Broadband connectivity in view of future growth in internet/broadband driven by wireless technologies.

It is a matter of concern that broadband penetration in India is low in spite of the fact that 104 telecom service providers are providing broadband services. The broadband penetration is just 0.74% when compared with teledensity of 52.74%. A need is being felt to identify impediments and create an environment to encourage broadband growth. The net broadband addition per

month is just 0.1 to 0.2 million in contrast to approximately 18 million mobile connections per month.

Though 70% of Indian population lives in rural areas; broadband facility is limited to metro and major cities. Availability of broadband is critical for development of rural areas. Out of total 9.0 million broadband subscribers at the end of April 2010, just 5% are in rural areas. The low broadband penetration in rural areas is attributed to non availability of transmission media connectivity upto village level.

The situation demands an urgent focus on creation of robust national infrastructure scalable to cater to future requirements not only in urban areas but also upto villages. For making all villages broadband enabled, an option being explored is taking optical fibre to 375,552 villages having population of 500 or more. Such a network would require laying of about 12 billion kilometres of optical fibre at a cost of about Rs. 323 billion. Funding of such project could be considered from Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) for non-skilled work and from Universal Services Obligation Fund (USOF) for material and equipment cost. This optical fibre network would integrate with backbones of various service providers and users would be able to get broadband with a variety of wired and wireless solutions.

In order to initiate focused discussion on all the pertinent issues regarding growth of broadband, the Authority has issued this consultation paper. Stakeholders are requested to send their comments on the consultation paper by 7th July 2010. Comments will be posted on TRAI's website as and when they are

received. Counter comments, if any, to the comments received may be sent to TRAI by 15th July 2010. This consultation paper is available on TRAI's website www.trai.gov.in .

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