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#### News Analysis BSNL Could Leverage MTNL Merger For Turnaround

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Government-owned Bharat Sanchar Nigam Limited (BSNL) is gearing up for a merger with the other state-run telco Mahanagar Telephone Nigam Limited (MTNL). BSNL's Director (Consumer Mobility) and CMD Designate Anupam Shrivastava believes that the strong synergy between the two organizations would help the combined entity to not only improve performance on the business front but also change the perception of BSNL's network.

"The perception of our services is affected because of MTNL's service in Delhi and Mumbai. The joining of BSNL and MTNL will help in the sense that MTNL's network can be improved without much investment since we have improved our network across the country," says Shrivastava.

However, the merger would not be without hassles. BSNL's union has made its opposition clear. Shrivastava explains the resistance of the union, "MTNL's debt is too high and has almost eaten away their net worth. They [union] feel that MTNL's debt's impact should not come in such a way that it spoils your [BSNL's] overall structure. It is a very valid concern. The debt should be either taken care of or written off. It should not impact our strengths. This discussion is in a very advanced stage and should come through in the next six months. He also spoke at length about his vision for the company and how he would turn the telecom major around. Besides, Shrivastava also explained the company's position on the controversy surrounding its CDMA spectrum and on leasing out towers to Reliance Jio.

### NSN study shows 87% jump in Indian mobile data traffic in 2013

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- 3G again drives mobile data growth, generates 43% of total network traffic
- 2G share stabilizes further, users consume three times less data than 3G consumers

Nokia Solutions and Networks' MBit Index study, an annual report on mobile broadband performance in India, reveals a 87% rise in data traffic generated by 2G and 3G services during 2013, driven by strong 3G growth. According to the study, 3G data traffic leapt by 146%, surpassing the world average that is roughly doubling every year. 2G data traffic continues to stabilize, growing by 59% over the same period.

Mobile data traffic generated by 3G services more than doubled in India in 2013, a rate much higher than growth seen in other parts of the world where mobile broadband data is expanding at 100% on average. This trend is in line with NSN's Technology Vision 2020 that mobile networks will need to be readied to profitably deliver one gigabyte of personalized data per user per day by 2020.

NSN's MBit Index also shows that 3G users continue to consume more data on average than 2G users. In December 2013, a 3G user consumed 532 megabyte of data compared to 146 megabyte comsuption over 2G. In some of the major urban centers the average data consumption per user is as high as one gigabyte per month, indicating the rising popularity and uptake of 3G across India. In addition, premium tariff reductions in 3G services in early 2013 led to an increased migration of high end 2G customers to 3G.

Analysis by circles shows that category A is the highest contributor of 3G in India, driving half of all mobile data in the country. 3G mobile data consumption grew by a record of 185% in 2013, a remarkable increase considering that these circles had registered the highest 3G payload the year before. In category B, 3G data payload surpassed that of metros with 3G now accounting for 31% of the total traffic. Both categories indicate a big demand of high- speed services, giving operators a huge opportunity to offer superior connectivity to their customers.

However, further research in 'Top 50' cities in all category circles reveals that 3G coverage in India is still limited and requires focused investments to achieve the data performance users demand. In category A for instance, the analysis of the leading 50 cities where 3G has been launched shows that additional 10% to 15% 3G sites are needed to match the existing 2G coverage. In category B there is a gap of 15% to 20% sites. Moreover, there are still some cities among the top 50 where 3G has not yet been launched. On average, 20% to 25% additional sites are needed to cover the cities that are not yet covered in category A and B.

"India is recording mobile broadband data growth figures higher than most other markets," said Sandeep Girotra, head of India region at NSN. "With the recent spectrum auctions paving the way for acceleration of mobile broadband penetration in the country, there is a great opportunity for India to create a world-class infrastructure and improve the lives of millions of Indians. This can be achieved through a wider 3G rollout as well as through selected introduction of LTE technologies and the modernization of existing GSM networks."

To help address the explosion in network data traffic and improve service quality in India, NSN offers the industry's most comprehensive mobile broadband portfolio and services to deliver higher efficiency, lower costs and superior customer experience. NSN is the leading mobile broadband and managed services provider in the country. Through its two Global Delivery Centers (GDC) in Chennai and Noida, and with the expert advantage of over 9.000 service professionals in the country, the company manages around 160,000 2G and 3G sites, serving over 220 million subscribers for operators in India.

Centre asks for ban on Facebook, Gmail and Yahoo in government offices

Centre on Wednesday informed the Delhi High Court that it has proposed a national email policy for official communication under which five million new IDs would be created to carry out the work, without depending on foreign mail services like Gmail or Yahoo. Popular mail services and social networking sites like Gmail, Yahoo and Facebook will not be used for official communication of government employees to ensure secure access and usage of data, it submitted, adding that the access to social networking will be banned in government offices. Earlier, a division bench of Acting Chief Justice B.D. Ahmed and Justice Sidharth Mridul had asked the Centre to form an email policy for the government officials in consonance with the Public Records Act to bar transfer of data to a server located outside India.

Earlier, the court had come down heavily on the Centre for not framing the e-mail policy for government employees in consonance with the Public Records Act, saying all sensitive official data cannot be transferred to a server outside India. Besides the e-mail policy, the Centre is also in the process of laying down guidelines for use of all information and technology resources, the affidavit said. "Policy on Acceptable Use of IT Resources of Government of India' lays down the guidelines with respect to use of all Information Technology resources. This would apply to all IT resources, owned or leased by Government of India, and services accessible on or through them. "The objective of this policy is to ensure proper access and usage of Government of India's IT resources by all its users and protect the Information and Communications Technology infrastructure of the Government from any misuse," it said. It also said a similar practice is being followed in several countries like Singapore, the UK, Netherlands, France, Germany, Ecuador, Sweden and the UAE.

Don't Share Aadhaar Data With Agencies & It's Not Mandatory: SC

### Nandan Nilekani

The Supreme Court has just ordered the government not to share Aadhaar details with any agencies without the permission of the Aadhaar user. A three member bench headed by Justice BS Chauhan said: "If there are any instructions that Aadhaar is mandatory, it should be withdrawn immediately."

As technocrat Nandan Nilekani braces to contest elections on the Congress ticket, this comes as another big blow to Aadhaar, the project which was led by him. The Court was hearing petitions against Aadhaar that challenged the constitutional validity of the project.

It also said that sharing Aadhaar data amounted to violation of privacy. The part where the court says Aadhaar is not mandatory is the damaging part for the multi-crore project. The other part, where it ordered not to share biometric data with other government agencies goes in favor of the UIDAI which earlier declined to share fingerprint data with the CBI.

## The problem with Aadhaar?

While the National Identification Authority of India bill, which gives legal standing to the project, is still pending, the government has approved direct cash transfers to beneficiaries of government schemes through the Aadhaar platform. The Aadhaar project, first mooted by the Planning Commission was set in motion through an executive order without any legislation backing it.

Various agencies like the police and LPG distributors have also started seeding their databases with Aadhaar numbers. Some of the services and departments also started making Aadhaar mandatory to avail government benefits. This was revoked by a court order in September. More than 56 cr Aadhaar numbers have been issued so far. Former Infosys executive who was pulled into the government to execute the project recently quit his job at the Unique Identification Authority of India to contest elections on a Congress ticket from Bangalore.

The government has spent thousands of crores of rupees on the project so far. In the last budget, it set aside over Rs 3000 cr for the project. In total, it is expected to cost the government over Rs 35,000 cr over a 10 year period to setup Aadhaar and run benefit transfers and other schemes on top of it. At this rate, benefit transfer and other benefits of Aadhaar might just remain a pipe dream. Another albatross around the government's neck?

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