



## Licensing Conditions for Telecom Companies Amended

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### Why in News

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The **Department of Telecommunications (DoT)** has amended **licensing conditions for telecom companies**. The new norms will be implemented from **15<sup>th</sup> June 2021**.

In March 2021, the Union Cabinet approved **the Production-Linked Incentive (PLI) scheme for the telecom sector** to **reduce imports** and move towards **self-reliance**.

### Key Points

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- **New Licensing Conditions:**

- **Aim:**

To **include defence and national security as parameters** when purchasing **‘trusted telecom products’** and sourcing equipment from **‘trusted telecom equipment sources’**.

- **Provisions:**

- Telecom companies can use **telecom products only from trusted sources** in its network and **must take permission** from the designated authority (**National Cyber Security Coordinator**) if they plan to upgrade their existing network **using telecom equipment that has not been designated as a trusted product**.
- The new norms **will not impact the annual maintenance contracts or upgrades to existing equipment** already being used by the telcos in their networks.

- **Trusted Telecom Products/Trusted Telecom Equipment Source:**

- **About:**

- It is simply **a product, a company, or a technology that has been deemed safe by the government** of a nation for use in its crucial and critical infrastructure.

- **Classification:**

- In December 2020, India's Cabinet Committee on Security had approved the setting up of a new **National Security Directive** on the telecommunication sector with an intent **to classify telecom products** and their sources under the **'trusted'** and **'non-trusted'** categories.
    - **National Cyber Security Coordinator** has been made the **designated authority for deciding on the list of trusted and non-trusted telecom** equipment sources and products.
      - Its decisions will be made based on approval of a committee headed by the deputy **National Security Advisor (NSA)**.
      - Apart from the deputy NSA, **the expert committee will have members from other departments and ministries, and independent experts as well** as two members from the industry.

- **Impact:**

- The new policy could potentially make it more **difficult for Chinese telecom equipment vendors** like Huawei and ZTE to supply equipment to Indian telecom players in the future.

- Both Huawei and ZTE **have been under global scrutiny for allegedly installing 'backdoor' or 'trapdoor' vulnerabilities and spying for the Chinese government** and have been banned by several countries.

- **Significance:**

- Telecom equipment plays a vital role in telecom connectivity and data transfer, which has a direct impact on the national security of India therefore this change will **help in strengthening national security of India**.
  - Demand for local equipment will rise which will further promote the vision of **Make-in-India** and **Atmanirbhar Bharat**.

**Source:TH**