The government of Prime Minister AB Vajpayee recognized that innovation and consumer demand were blurring the regulatory lines between multiple emerging industries: information technology/the Internet, telecommunications, and television. To accommodate these changes, a “Communications Convergence Bill” was introduced in Parliament; it never passed. The concept should be revived, as it would help nurture the Narendra Modi government’s “Digital India” program.

The world the Vajpayee government foresaw 15 years ago is certainly coming to pass. The dividing lines between content and the mode of communication are blurring. An individual can now access the same content on a cinema screen, their home television, or a mobile device. The content can be carried by wireless data connections, satellite, hardline telecom or cable wires, and even electrical systems. And India now has almost no way of keeping out content available in other countries.

The “Communications Convergence Bill,” introduced in the Lok Sabha in September 2001, would have done several things:

- **Repealed five existing laws:** The Bill repealed the Indian Telegraph Act, 1885; Cable TV Networks Act, 1995; Indian Wireless Telegraphy Act, 1933; the Telegraph Wires (Unlawful Possession) Act, 1950; and the Telecom Regulatory Authority of India Act, 1997.
- **Created a comprehensive regulator:** The Bill would have formed a “Communications Commission of India” to govern the sector, including spectrum use and fees.
- **Created four license categories:** These were (1) Network infrastructure facilities; (2) Network services; (3) Application services; and (4) Content application services.
- **Content regulation:** The Communications Commission would have the statutory right to regulate content.

**KEY DATA**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage Change</th>
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<tbody>
<tr>
<td>U.S.-India Goods Trade</td>
<td>+2.68%</td>
</tr>
<tr>
<td>Foreign Direct Investment</td>
<td>+10.13%</td>
</tr>
<tr>
<td>Foreign Institutional Investment</td>
<td>-388.7%</td>
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</tbody>
</table>
Established an Appellate Tribunal: The Convergence Bill would have created a “Communications Appellate Tribunal” to adjudicate disputes.

Communications intercept: Chapter XIV of the Bill laid down rules controlling the interception of communications for security purposes.

The draft legislation did have elements that would limit market-based competition. For example, it contained a provision to give the government of India “right of first refusal” to broadcast major live events, presumably key cricket matches. The section on “Codes and Standards” has some broad language on ensuring content is not “prejudicial to the interests of the sovereignty and integrity of India,” as well as ensuring content emphasizes the “promotion of Indian culture,” and “good taste, decency, and morality.” These terms of art raise more questions than they answer.

While the legislation was never approved by Parliament, the Vajpayee government did find ways to promote convergence on an ad-hoc basis, such as combining the Ministry of Information Technology and the Ministry of Communications under a single minister (the Modi government has not followed this practice), strengthening the power of the Telecom Regulatory Authority of India (TRAI) to govern the telecom sector through the TRAI (Amendment) Act, 2000, and expanding TRAI’s purview to include regulation of the carriage of television media in January 2004.

Today, most “content carriage” functions, such as cable TV, mobile TV, and satellite TV are regulated by TRAI. But print media is regulated by the Press Council of India. And some satellite functions are overseen by the Department of Space and the Indian Space Research Organization (ISRO). The rules on foreign direct investment (FDI) in these areas also vary from subsector to subsector. Many are open to 100 percent FDI. However, FDI in radio broadcasting and uplinking TV news channels is limited to 49 percent, and print news is limited to 26 percent.

In the months following Mr. Modi’s assumption of power, there had been speculation that the government was considering revisiting the Convergence Bill in some form. But it has hardly been mentioned in the last 30 months.

To be sure, the telecommunications and television sectors do not necessarily need a boost. India’s “teledensity” (phone connections per 100 people) is over 80 percent. 181 million homes have television access, including 85 million cable TV subscribers and nearly 60 million Direct-to-Home satellite TV subscribers.

However, India is struggling in other related areas, particularly broadband penetration. The country has around 190 million broadband connections, of which less than 10 percent are wired broadband. India’s wireless broadband speeds are among the slowest in the world, with an average download speed of 5.6 megabytes per second. Smartphone penetration also remains lackluster with around 200 million smartphones in service, though the number is growing rapidly.

To connect its citizenry, India desperately needs an “all of the above” effort. Artificial barriers between different forms of content and carriage should be removed, allowing the platforms to expand at a pace that is not bolstered or limited by differential regulation. The Convergence Bill could be a vital component of this effort.