



Additional Cost Implication for the Telecom Industry -As Government mandates Location Based Services to meet its Security Requirements

16th June 2011; COAI thanks the government for issuing the new simplified Equipment Security agreement which incorporates many of the suggestions and requests made by the industry. This will now allow operators to start ordering and installing the much needed network equipment required to keep pace with the rapid growth of the industry.

However, the industry remains concerned with the increasing trend of government to push the cost of government requirements, security and otherwise (e.g. MNP, UCC, Customer Verification, etc.), on to operators. The new example of this is the cost to be borne by operators for implementing Location Based Services (LBS) to meet government's security needs, as per the Equipment Security agreement.

While the industry heartily supports the need for ensuring the security of the country and is happy to implement government's requirements, we do not believe this should be done at the sole cost to operators. Discussions with providers of LBS solutions have also raised serious concerns on the feasibility of meeting government's strict requirements. Based on, the technical standards for accuracy levels as defined by the Government, the scale of implementation, the execution of the project and the complexities involved there is no solution at present that meets the DoT mandate. The costs to implement such a system have been estimated at **approximately \$5 billion**.

Further, the industry is concerned about a back lash from customers on privacy as a result of a lack of clear policy guidelines on the matter. This is because the new Equipment Security Agreement requires operators to maintain location information up to accuracy of 50 meters for customers specified by Security Agencies commencing 1st June 2012, and on all customers, irrespective of whether they are the subject of legal intercept or not from June 2014.

COAI looks forward to working with the government to investigate feasible solutions, adopt realistic time frames for implementation and provide funding for the cost of implementing the solution (hardware and software).

About COAI:

The Cellular Operators Association of India (COAI) was constituted in 1995 as a registered, non-governmental society dedicated to the advancement of communication, particularly modern communication through Cellular Mobile Telephone Services. With a vision to establish and sustain a world-class cellular infrastructure and facilitate affordable mobile communication services in India, COAI's main objectives are to protect the common & collective interests of its members. Prominent private service providers and the infrastructure vendors are members of COAI, and work closely on various Industry issues.

More about COAI at : (<http://www.coai.in>)