

Ambassador David A. Gross has served as the US Coordinator for International Communications and Information Policy in the Bureau of Economic and Business Affairs since 2001. Since joining the Department of State, he has addressed the United Nations General Assembly and led US delegations to several major international telecommunications conferences, including the International Telecommunications Union. On a recent visit to India, he shared his views on the Indian telecom industry with tele.net...

What brings you to India?

This is my third visit to India in the past 12 months, which says something about how I and my colleagues in the State Department view our very strong relationship with India. I am here in part because of Supercomm. I am also here to have discussions with various government officials and agencies about telecommunications and the upcoming UN World Summit on the Information Society in Tunisia. I am meeting with people in the industry to get an understanding of how things are in India and some of the things that we can work on together.

I have learnt a lot. I have seen tremendous progress being made in India. I have had the honour of going to various countries around the world and I know very few that have done as much in such a relatively short time in terms of using technology and providing services. It is a very exciting time, seeing the kind of investments that are being made by the private sector to bring telecom facilities to urban and rural areas. The policy initiatives that are promoting this are really shining examples for many countries. We have all had our challenges, but I think India has really shown very important progress, which can be used by other countries.

The government has recently announced a hike in the FDI limit in the telecom sector. How do you see the hike impacting the sector?

It is a very significant decision. It is a signal of India's confidence in being able to attract the sort of investment required to bring services to all of India, including rural India. We face many challenges in the US as well in providing services to people in rural areas. High capital expenditures are required. No country that I am aware of has all the capital it needs to do this job. Being able to attract foreign investment is as important for India as it is for every other country. This change is very positive.

Some foreign investors in telecom, such as AT&T, have pulled out of the Indian market. What is your message to such companies and to the American people?

The decision with regard to FDI is significant in itself and also as a symbol. It is a symbol for change for companies who look at India as it is today, not what India was five years ago. The environment is clearly more business friendly than it was years ago. So, when I go back to the US, I will tell my colleagues in industry and government that India is a good place to invest in, as it is doing the right things. Part of this is also because of India's commitment to the rule of law. That is very important. The signals that India is giving, that it is open to business and that it has a commitment to the rule of law, are strong pillars to encourage foreign investment to come into India.

Do you see any hurdles for investors in the telecom sector?

India is becoming an increasingly attractive place for investment. There are always issues and controversies in all countries. But the big picture is very positive. The actions that the government is taking are good not only for now but also for the future. It is that stability that is important.

One of the key issues today is allocation of additional spectrum, with both GSM and CDMA players vying for spectrum in the 1900 MHz band. What are your views on this?

First let me clear up one misperception — that GSM is a European system and CDMA is an American system. This is not correct. I understand the historical reasons for this — GSM was widely adopted in Europe and subsequently acquired a European identity. But it is used in the US also. US manufacturers make a lot of GSM equipment. So it is easy for me to be technology neutral. We have found in the US and around the world that a government policy that is technically neutral is very good. It works very well. In this case, we believe it is important for the Indian government to remain technology neutral. It is very important to make spectrum available to enable carriers to provide services to customers. There seems to be a widespread understanding that CDMA is particularly capacity constrained at the moment. We hope the government will be able to give CDMA operators who are capacity constrained, sufficient capacity to provide such services to more people at lower prices. Having said that, we also feel that as and when GSM becomes capacity constrained, they too should be given more

spectrum.3G spectrum should be opened up and made available. We are hopeful that GSM will continue to blossom.

What are the areas of neglect in the wireless industry at the moment?

I am not sure I would phrase it quite like that. We have discussed spectrum, but I would not call it an area of neglect. It is a symbol of how well things have been here that more spectrum needs to be allocated. I don't think there is any area where there is a neglect issue. There are a lot of things that have worked here. I think it has been very positive.

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