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June 16, 2023

Shri Ashwini Vaishnav
Hon'ble Minister for Communications,
Electronics, IT and Railways
Govt. of India

Subject: Request for extension of implementation timelines for MTCTE Phase-3 and Phase-4

Hon'ble Sir,

I am writing to you on behalf of MAIT, India's apex ICT Industry body. Founded in 1982, MAIT represents India's Telecom manufacturers, IT Hardware manufacturers and Testing Laboratories. We have constantly engaged with DoT to assist and realise the Hon'ble Prime Minister's vision of Make in India for the World.

At the outset, we would like to express our deepest gratitude for various relaxations made by your Ministry in the MTCTE regulatory framework. MAIT and its member organizations, would like to thank you and your esteemed team at DoT and TEC for recognizing the importance of creating a favorable regulatory environment for growth, innovation and investment in India. The MTCTE streamlining initiatives, in particular removal of regulatory overlaps between CRO and MTCTE and extending the deadline for Phase III and IV products until 1 July 2023, has left a positive impression on the Global Investors' community.

Over the last one year, the ICT and Telecom Industry has been working tirelessly to ensure to meet the TEC requirement and comply with the MTCTE certification timeline of June 30, 2023. However, it will be difficult to achieve this goal due to certain operational challenges listed below despite industry's best efforts to complete testing and certification.

And with Phase-3 and Phase-4 implementation date fast approaching, we fear that the industry would not be able to meet the compliance requirements and that would derail various private and public sector digitization projects.

Though the Indian lab ecosystem is trying to catch up with the industry's test demand and trying to improve its capabilities, but there is a huge product testing backlog at the labs. There are many products lying at the lab waiting for their testing to be completed. It is ironic that even after 4 years of MTCTE being rolled out there is still not even a single lab which has the capability to perform end-to-end testing. Due to the lack of lab infrastructure, the products have to be moved from one lab to another for testing and while doing so, the product gets damaged and causes delay.

Moreover, MAIT has done an assessment to understand the current compliance status of just 12 products categories notified under MTCTE Phase 3 and Phase 4. It is noted that only 38% of the product portfolio has been certified till date and approx. 62% of products are still either pending at the labs or due to China COO not getting certificates. Now, these products form the backbone to some of India's most critical infrastructure projects facilitating the last mile connectivity of infrastructure. If the MTCTE Phase 3 and Phase 4's timelines are not extended, it will immensely impact India's Digital Transformation success story.

We therefore request you to kindly consider a timeline extension of six months for products in scope of Phase 3 and Phase 4, especially for LAN Switches, Routers, Equipment operating under 2.4 GHz & 5GHz, Firewall, IP & its related security equipment and conferencing equipment.

We assure you that the industry will continue to work to comply with MTCTE requirements. However, this additional time till December 31, 2023 is necessary and will enable compliance with Phase III and Phase IV MTCTE requirements and minimize disruptions to the various private and public sector digitization projects.

We would also like to bring to your kind attention another issue that industry is facing in the MTCTE regulatory regime pertaining to the product's country of origin and non-issuance of certificates for products originating in China. We acknowledge the current geopolitical shifts and India's aspirations to become a global electronics manufacturing hub. As you may be aware, several of our members have been committed to this cause and have been investing in India for decades, from software exports to R&D and manufacturing of critical IT & telecom products. Several members are also applicants to the PLI schemes, directly or indirectly. You would appreciate that shifting of any telecom supply chain is a medium-long term strategic decision, based on reasons like shifting costs, commercial requirements, geopolitical developments, labour requirements or business resiliency. Over the last two years, several global companies have diversified their supply chains for several reasons.

We would like to bring to your notice that despite such actions and commitments, we are noticing that telecom products with COO China, tested by Indian labs are not getting certificates under the MTCTE scheme. The objective of the scheme is to ensure that the telecom product meets the right standards, does not degrade performance of the network and safety of the consumer, and does not have any linkage with the supply chain security. Industry is duly committed to completing testing across all parameters, including security. Therefore, **we request if a telecom product shows conformance to the standards prescribed in the Essential Requirements (ER) finalised by a technical certification body like TEC, then it should be granted an MTCTE certificate.**

Further, we would like to state that the National Security Directive for Telecom Scheme (NSDTS), which provides 'Trusted Source' and 'Trusted Product' certification is limited to products installed in the Indian public telecom network. This does not expand to products sold to enterprises or public sector. Considering this, **the NSDTS and MTCTE should not be coupled.**

It is requested that a pragmatic timeline in consultation with industry be provided to address the Country-of-Origin issue. Meanwhile, we urge you to allow certification of the duly tested products.

We look forward to an opportunity to further discuss and share industry views to facilitate an effective regulatory framework in India.

Warm regards,



Col Suhail Zaidi (Retd)
Director General