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REPORT ON COLLOQUIUM

of Central Sector Regulatory
Member Bodies of Forum of Indian
Regulators (FOIR)

On

Cross-Sectoral Collaboration: The Imperative for Regulatory Convergence

August 1-2, 2023 at Hotel Clarks Shiraz, Agra

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Introduction

Convergence, as a general idea, can have different meaning for different settings. It can be interpreted as convergence of resources, or of processes. In the policy arena, it could mean coordinated efforts undertaken by different departments to fulfil policy objectives. In the sector specific context, convergence could be interpreted as combining of techniques/methods for optimal results.

Similarly, in the regulatory space as well, the idea of convergence brings with it the potential to evolve common regulatory frameworks, weaving together separate elements into a harmonised whole. Sharing experiences, being able to access one another's knowledge bases, pooling resources for collaborative endeavours and arriving at solutions in a collective spirit towards fulfilment of the shared goals and objectives offers unparalleled benefits for the regulatory landscape of our nation.

Active engagements for promoting cooperation also have the ability to address issues such as jurisdictional conflicts. In our legislative and regulatory frameworks, there is ample room for differing interpretations of laws, rules and regulations pertaining to common mandates (such as promoting competition). Collaboration offers a platform for mutual dialogue to arrive at solutions together by providing fertile grounds for design, development, and enforcement of regulations that fulfill the mandate across sectors. Clearly, regulatory convergence and collaboration comes with a plethora of positive outcomes for regulatory governance and for the nation as a whole.

The Forum of Indian Regulators (FOIR) is a platform that comprises regulators from the Centre and States and actively strives to bring together regulators across the length and breadth of the country, encompassing diverse sectors. Thus, it is ripe with potential to function as a fertile ground for Regulatory Convergence. The Colloquium for Central Sector Members of FOIR with the theme "Cross-Sectoral Collaboration: The Imperative for Regulatory Convergence" is a case in point.

The event brought together Chairpersons and Members involved in regulation of the Civil Aviation, Electricity, Telecommunications, and Oil and Gas sectors. The mutual understanding and insight gained by the participants into the workings and underpinnings of the respective sectors creates a formidable base on which convergence and collaboration can flourish in order to achieve common goals of safety, reliability, transparency and competitiveness of the regulated sectors, which in turn furthers the prosperity of the consumers and the public at large.



Prof (Dr) Naveen Sirohi
Director, FOIR Centre and
Founding Head, School of Finance
Indian Institute of Corporate Affairs

Speaker's Profile

Shri B S Bhullar (*Chairperson, Airports Economic Regulatory Authority of India (AERA)*)

Shri B S Bhullar joined the Indian Administrative Service (IAS) in 1986 in the Uttar Pradesh (UP) Cadre. In the Government of UP, he held several crucial administrative posts in various cities, viz. District Magistrate, Ghaziabad and Kanpur, and Municipal Commissioner, Varanasi. He also served as the Joint Managing Director in Uttar Pradesh Financial Corporation, as Secretary, Irrigation & Water Resources, as Principal Secretary in Departments of Transport and Finance. He contributed to the State's financial planning as Member of the 4th UP State Finance Commission. In the Government of India, he held the posts of Joint Secretary to 13th Central Finance Commission, Joint Secretary in the Ministry of Finance, Department of Expenditure, and Joint Secretary/Additional Secretary in the Ministry of Civil Aviation. He finally took over as Director General of Civil Aviation before superannuating from the Government Service in May, 2019. Thereafter, in July 2019, Mr. Bhullar took over as Chairperson, AERA, for a period of five years.

Shri Jishnu Barua (*Chairperson, Central Electricity Regulatory Commission (CERC)*)

Shri Jishnu Barua joined as Chairperson, CERC, in March 2023. He's a former IAS Officer, and has served in important capacities in both the State and Central Governments. In the Assam State Government, he roles included Deputy Commissioner of districts, and Managing Director, Assam Industrial Development Corporation. On Central Deputation from 2001-2006 and then 2014-17, he held the posts of Private Secretary and Director (Police) in the Ministry of State for Commerce, Statistics and Programme Implementation and Ministry of Home Affairs, GoI, respectively. After his stint as Joint Secretary, Department of Personnel & Training (DOPT) in the Ministry of Personnel, Public Grievances & Pensions, GoI from 2014-17, he was posted as Principal Secretary to Government of Assam, Power Department, during which he also served as Chairman of Distribution, Generation and Transmission Companies under the State Government. Mr. Barua superannuated from service as Chief Secretary in August 2022 and was thereafter re-employed as Chairman, Assam Power Distribution Company (APDCL).

Dr P D Vaghela (*Chairperson, Telecom Regulatory Authority of India (TRAI)*)

Dr P D Vaghela joined as Chairman, TRAI in October, 2020. Prior to joining TRAI, he was Secretary, Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers. In this capacity, he was instrumental in handling the availability of critical medical supplies like personal protective equipment (PPE), N-95, Ventilators and testing kits during the COVID-19 Pandemic. Dr Vaghela joined the IAS in 1986, following which he held various assignments from District level to State level. Under his Chairmanship of Kandla Port, it was awarded as the best port for five years. He played a major role in the drafting of the Goods and Services Tax (GST) law and fixing of GST rates and was closely involved in GST implementation at national level (as a key member of the GST Implementation Committee). In May, 2018 he was honoured by Hon'ble Prime Minister of India for excellence in Public Administration while appreciating his contribution in implementation of GST.

Shri A. K. Tiwari (*Member, Petroleum and Natural Gas Regulatory Board (PNGRB)*)

Shri A. K. Tiwari joined as member, PNGRB in December 2021. Before joining PNGRB, he worked in various capacities in Gas Authority Of India Limited (GAIL) (India). As a Director (Finance) and Chief Financial Officer (CFO) of GAIL, he focused on establishment and implementation of policies and procedures for decisions making on Strategic matters, Risk Mitigation measures, Merger & Acquisition and investment opportunities. During his time at GAIL, Mr. Tiwari was involved in transformation of finance functions to align with the overall company strategy and in finalisation of GAIL Strategy 2030 which focused on diversification and growth of Natural Gas Sector as well as Renewables. He has over 38 years of experience in the Oil & Gas, Thermal Power, Hydel Power and City Gas Distribution sectors.

Prof (Dr) Naveen Sirohi (*Director, FOIR Centre, Indian Institute of Corporate Affairs (IICA)*)

Dr Sirohi is the Director of the FOIR Centre at IICA, which is the knowledge, research and capacity building hub for the Central and State Government regulators in India. He is also the Founding Head of School of Finance at IICA. Possessing a unique blend of 20+ years of experience across corporate, academia and government, he is contributing to the success of the corporate sector in India through the mandate of capacity building, education, research and consultancy. He has conducted 100+ Executive Education Programmes catering to more than 5000 corporate executives and government officials on contemporary financial and leadership themes across levels (induction, middle and top management) and across geographies (India and abroad). Academically, Dr Sirohi holds post-graduate and PhD degrees in commerce with a first-class academic record.



Speaker's Address

Shri B S Bhullar commenced his address by stating that the Colloquium is meant to serve as a platform to share knowledge, experiences, and strategies for better regulatory governance. Cross-sectoral collaboration has a critical role to play in this, and in ensuring the overarching objectives of safeguarding consumer interests, fostering fair competition, and promoting economic stability and growth. In this context, the Colloquium proved instrumental in identifying best practices, case studies, and frameworks that have fostered cross-sectoral collaboration.

Mr Bhullar also acknowledged the critical role played by FOIR in bringing the Regulators from different sectors together on a single platform. He commended FOIR's efforts in fostering collaboration and cooperation among regulatory bodies across sectors. Such collaborative efforts are crucial for strengthening our regulatory frameworks, learning from one another, and collectively addressing common challenges. This ultimately results in improving the effectiveness of regulation and creating a regulatory environment that encourages innovation in our country.

As an example, he cited the fruitful exercise for developing cross sector collaborative regulation between the Telecom Regulatory Authority of India (TRAI) and the Electricity Regulatory Commissions (ERCs). The report of the working group identified several action points (connections issued to Telecom Service Providers (TSPs), a separate tariff slab for energy consumed by TSPs, etc.) where TRAI and ERCs could work together to develop regulations.



Shri Jishnu Barua addressed the participants by stating that this was the 4th FOIR Colloquium for Central Sector Chairpersons.

He noted that while the previous Colloquiums were focussed on the designing of the regulatory framework and technical details and aspects of the process of framing regulations, the theme for the 4th event in the series exploring the potential of Regulatory Convergence and Collaboration presented a crucial and pressing topic that could be pivotal in shaping the future of the regulatory ecosystem. He further emphasised the need to find actionable, implementable uses for collaboration in the current regulatory set-up.



Noting the major shifts in technology and the way businesses work in today's world, Mr Barua highlighted that complexities often transcend traditional boundaries. Accordingly, regulators need to adapt their approaches to appropriately address challenges. To this end, a collaborative and cohesive approach is especially suited to bring favourable and sustainable results. This approach is also necessary to solve some of the biggest issues that the world is facing today - climate change, economic inequality, public health, or cybersecurity. The magnitude and scale of these challenges implore policy makers across the world to come together.

He further acknowledged that collaboration efforts do come with a few potential challenges. Overcoming cultural differences, balancing diverse interests, and establishing effective communication channels are the prerequisites for ensuring the success of such endeavours. But effectively addressing these aspects also provides a fertile ground for opportunities to foster stronger partnerships and build a more inclusive decision-making process. Evidently, cross-sectoral collaboration has the potential to transform regulatory governance and to shape a more resilient, equitable, and forward-looking society.

Mr Barua commended the fruitful collaboration between FOIR and the Indian Institute of Corporate Affairs (IICA). He observed the important role of such events, where multiple stakeholders can come together, share experiences and figure out ways to work together, in establishing an environment of trust and collaboration.

Shri A K Tiwari commenced his address by bringing to attention the changing nature of regulations from prohibitive and restrictive to facilitative in the last few years, indicative of a shift in regulatory mindset. Further, he conveyed his inclination towards close coordination amongst regulators and noted that FOIR can play a vital role in promoting it. In the same vein, he informed participants of the ongoing efforts of PNGRB in pursuing meetings with its international counterparts to understand their regulatory frameworks, which could assist in shaping regulatory governance of the domestic Oil and Gas (O&G) sector.



Mr Tiwari's presentation about the Sector was quite illuminating and comprehensively covered the status of the O&G Sector, hiccups to regulatory effectiveness, and future trends. In the introductory section of the presentation, he drew attention to the increasing share of renewable energy capacity worldwide and in India. Informing participants about the crucial place that Natural Gas (NG) will occupy in the coming future, he presented the forecast of a 9% share of NG in the energy mix by 2050. He apprised everyone with the current status of Gas and Petroleum Product pipelines, Liquefied Natural Gas (LNG) Terminals, City Gas Distribution (CGD) networks, etc. across the Country. Notably, 98% of geographical areas for CGD development have been given the go-ahead by PNGRB and this segment is likely to witness growth in the coming time.

He also touched upon the topic of underground gas storage and its strategic importance for energy security for India. The recent structural reform of a single tariff for NG transportation across the nation was also a part of discussion. Mr Tiwari informed that this will be especially beneficial for far flung customers as it will reduce the cost of piped gas.

He rounded up by throwing light on some of the challenges in front of the Board in effectively regulating this strategically significant sector, such as a lack of integrated planning, and areas not under the regulatory purview of the Board (pricing, LNG Terminals, etc.). He was positive about the overall growth and development of the Sector.

Dr P D Vaghela enriched the discussion by updating the participants about recent regulatory developments and undertakings at TRAI. He focussed on the role of technology as a transformative force for the Telecom Sector. Elaborating on the nature of the ongoing changes attributable to technology, he explained how it is responsible for fundamentally altering humankind's interface with information and expanded on the nature of this change - technology development is so fast-paced that it produces information asymmetry; the cost of collecting useful information can be sometimes huge, and possibly prohibitive; decision-making needs to be swift in keeping with the pace of change.



In such a backdrop, increasing the frequency of collaborative endeavours and sharing infrastructure and other resources for effective implementation are significant supportive measures that can impact the concerned sectors. With a more global view, he also endorsed collaboration with international counterparts in evolving the national regulatory-governance landscape.

Also included in the presentation were current focus areas, regulatory and sectoral concerns, and initiatives undertaken by TRAI. Dr Vaghela informed that interconnection control, quality of services, and spectrum management are targeted attention areas from the regulatory lens.

On the sectoral level, the Regulator is focussed on the expansion and densification of 5G across the nation, along with deployment of associated infrastructure. Additionally, the possibility of a duopolistic market structure also presents a sectoral concern for the Regulator as well as the Government.

Taking into consideration consumer interest, TRAI also notifies regulations and guidelines to curb the menace of Unsolicited Commercial Communication from time to time. Moreover, its initiatives such as My Speed App (for recording accurate data transfer speeds), My Call App (for information on dropped and missed calls), etc. help the user to accurately judge the quality of service.

Prof (Dr) Naveen Sirohi in his remarks reiterated the critical importance of collaborative efforts and regulatory convergence in a world where boundaries between sectors are increasingly blurred, and emerging technologies disrupt traditional industry structures.

In this backdrop, the need for cross-sectoral collaboration is evident. There is no doubt that this dimension of regulatory governance is essential in addressing the complex interdependencies and interconnectedness between different sectors.



Dr Sirohi recounted the many advantages that regulatory convergence offers such as streamlined governance (consistency and coherence in governance across sectors, avoiding overlapping or contradictory regulations and reducing bureaucratic complexities), addressing cross-sectoral challenges through a unified approach, facilitating synergy and resource optimization, strengthening digital transformation, and enhancing competitiveness by aligning regulatory frameworks with international standards. Its practical uses can be easily seen when working on cross-cutting processes/issues such as climate change and digitalisation, where communication, coordination, and cooperation greatly enhances the effectiveness of action.

Dr Sirohi observed that the event was significant in bringing together Central Sector Chairpersons to deliberate upon opportunities for collaboration, while maintaining healthy competition amongst themselves.

Conclusion

In conclusion, the Colloquium proved to be quite insightful and enlightening. It served as a live example of dismantling silos and coming together to impart momentum to the collaborative potential of Regulators covering various important sectors of the economy. The event was characterised by detailed and smoothly-flowing discussions about contemporary issues that the Regulators are facing.

Discussions about technology and associated concepts were especially fascinating with Dr Vaghela describing his experience of the virtual world and explaining the concept of “virtual/digital persons”. The Chairpersons and Members were also left with a sense of deeper understanding about the functional, operational, and other aspects of other sectors. As an example, through the discussions, it came to light that while CERC gives transmission licences in a planned and integrative manner, taking into account the related generation and distribution linkages of the project, such integration is, at present, missing in the licence-granting process of PNGRB, as informed by Mr Tiwari. This creates an opening for regulatory collaboration to bring fruitful results and further the prosperity of the sectors.

Mr Barua, in his final comments, encouraged the participants to reflect on the way ahead, taking into consideration the rich discourse enabled by the current and previous events. Mr Bhullar concurred, assuring everyone that the momentum generated through these events will be strengthened further.



Photo Gallery





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