Can't let states spoil the surf, feels Nasscom

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MUMBAI: The Mumbai police's decision to regulate internet cafes as public amusement places through a gazette notification has boiled over into a national issue. Nasscom, along with other national bodies, is trying to get the IT Act amended to regulate the cafes. The objective is to prevent state government and state police from coming up with their own norms to regulate the cafes.

The move to put in place a centralised legislation gained momentum after ET first reported (in issue dated September 22, '06) the Mumbai Police's initiative to regulate the cyber cafes in the city.

Sunil Mehta from Nasscom told ET, "There has to be a national debate on the issue of policing the cyber cafes and other access points for the World Wide Web." There is definitely a need to have a central law to monitor cyber cafes in the country instead of the piecemeal regulation that exists in the different states presently, he said. It is very important to realise that the internet has become a vital issue for national security.

The Indian IT Act is modelled on the EU legislation on e-commerce. IT Act section 79 has been revised to bring-out explicitly the extent of liability of intermediaries like ISPs and internet cafes in certain cases. The IT Act provides the power to make rules for "intermediary" including "cyber cafes" under section 87. Though, no specific rules have been framed. The lack of any legislation has given the state government the freedom to pursue their own rules.

"Currently, the state governments are not mature enough to frame IT laws and also there is no deliberation with the players in the business before framing such laws," says Ashish Saboo, president, Association of Public ICT Tools Access Provider. Cyber cafe regulations in Bangalore and Chennai propose maintaining internet caches and cookies for a year. The UP government is even proposing a ban on online chatting in cyber cafes. All these legislations are clearly an evidence that there needs to be consistency in framing the laws.

Says Subho Roy, president, Internet and Mobile Association of India, "There is a lot of ambiguity in the laws governing cyber cafes at the moment. Different states have varied rules on cyber cafes, thus the need to have a central legislation." The laws should also be simple and same for all the players in the business, otherwise small local players would be forced to wind up their business , he added.

Industry watchers also say that over-rigorous implementation and variance in laws among states would lead to the small internet cafe owners being forced to sell their business to bigger players like Reliance WebWorld, Sify iWay and others.

According to a recent gazette notification, the Mumbai police wanted to license all internet cafes in the city, classifying them under the public amusement category. Each internet cafe owner will have to shell out a licensing fee of Rs 500 per computer for registration.

The state government had published a notification to seek public feedback on the proposed rules, which give the police the discretion to reject a licence. After the ET report on the issue and a deluge of feedback to the state police department, the police decided to reduce the fees per computer to Rs 75.

According to the draft rules, a no objection submission from the landlord/society where the cyber cafes conduct their business, along with NOCs from the civic body's health and other departments, will also be needed. The rules do not,

however, cover STD/ISD booths which also have computing terminals for VOIP calls and email communications.

The rules seek to identify internet cafes on the basis of whether online gaming is being carried out there. The city police has wanted to regulate internet cafes for the past three years but the urgency appears to have increased after the investigations in the 7/11 blasts.

Highlights Higher licence fees would mean small players selling off to corporate players like Reliance WebWorld and Sify iWay, say industry watchers.

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The Uttar Pradesh state government is even proposing a ban on online chatting in cyber cafes .Mumbai Police wants each internet cafe owner will have to shell out a licensing fee of Rs 500 per computer for registration.Rules do not cover STD/ISD booths which also have computing terminals for VOIP calls