

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

UNSTARRED QUESTION NO:1340
ANSWERED ON:27.11.2000
STARTING OF CELLULAR SERVICES BY MTNL IN MUMBAI
ANANT GANGARAM GEETE;DR. KIRIT SOMAIYA

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether MTNL has taken proper steps to start its cellular telephone services in Mumbai in October, 2000 as promised;
- (b) if so, the details thereof;
- (c) whether MTNL cellular services were delayed by 15 months;
- (d) if so, the reasons therefore;
- (e) whether entry of MTNL in cellular market has straight-away benefited the private cellular operator;
- (f) if so, the details thereof;
- (g) whether wireless in local loop services of MTNL was also delayed due to lack of co-ordination and inefficiency of Department of Telecommunications(DoT);
- (h) if so, the details thereof; and
- (i) if the time by which the GSM cellular services and loop services are likely to be started?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATION (SHRI TAPAN SIKDAR)

(a) It has not been possible to start the Cellular Services in October, 2000 for reasons beyond control. The services are now planned for introduction by early next year. The details of the steps taken in the meanwhile are as per (b) below:

(b) Details of action taken are as follows:

- (i) MTNL got amended its license dated 27.3.86 by DOT on 10.10.97 specifically including Cellular Mobile Service in License.
- (ii) Private Cellular Operators challenged the above amendment in TRAI by filing a petition. TRAI on 17.2.98 ruled that the license of MTNL cannot be amended without taking the recommendation of TRAI and hence is invalid. MTNL filed an appeal in Hon'ble High Court of Delhi against the order of TRAI. Hon'ble High Court vide its order dated 16.7.98 ruled that the amendment issued to the license of MTNL is legally valid and the recommendations of TRAI are not a condition precedent for amending the license of MTNL. Thereafter, some of the private cellular operators went in appeal against the order dated 16.7.98. On 29.7.99, the private Cellular operators withdrew their appeals as well as petitions. Accordingly, the same were dismissed as withdrawn by division bench of Hon'ble High Court of Delhi vide its order dated 13.8.99.
- (iii) MTNL floated a tender to provide GSM services on 2.4.98 which was allowed to lapse as the matter of license of MTNL for Cellular Mobile Service was pending in Hon'ble High Court of Delhi.
- (iv) MTNL launched Cellular Mobile Service based on CDMA technology on 2.10.99 which was successful.
- (v) MTNL floated another tender on 14.8.99 to provide GSM services immediately after categorical clearance from Hon'ble High Court of Delhi. The tender has been finalised and Purchase Orders have been placed. The factory inspection of equipment is complete and the equipment is under installation.
- (vi) MTNL floated tenders to provide Cellular Mobile Service on CDMA technology. The tenders have been finalised and Purchase Orders have been placed. The factory inspection of equipment is complete and the equipment is under installation in case of Delhi and the equipment is under factory inspection in case of Mumbai.

(c) Yes, Sir.

(d) Reasons given at (b) above.

(e) No, Sir.

(f) Not applicable in view of (e) above.

(g) No, Sir. However the project was delayed due to various litigations. In case of Mumbai, the litigation was conclusively decided by Hon`ble Supreme Court only on 15.9.2000 and the equipment is under factory inspection at present. In case of Delhi, order has already been placed for 50,000 lines and its installation is in progress.

(h) Not applicable in view of (g) above.

(i) These projects are planned to be completed during this financial year.