

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:1344

ANSWERED ON:30.07.2003

UNIFIED LICENCE SYSTEM

A. VENKATESH NAIK;ASHOK NAMDEORAO MOHOL;RAMSHETH THAKUR;SULTAN SALAHUDDIN OWASI

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Government propose to move an unified licence system in telecom sector;
- (b) if so, the details thereof;
- (c) the benefits of this system;
- (d) whether this proposal has been sent to TRAI;
- (e) if so, the details thereof;
- (f) whether cellular operators are suffering losses despite tremendous growth in volume; and
- (g) if so, the steps proposed to be taken in the matter?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI , PRADHAN)

(a) to (c): New Telecom Policy, 1999 (NTP-99) states that convergence of both markets and technologies is a reality that is forcing realignment of the industry. It further, states that this convergence now allows operators to use their facilities to deliver some services reserved for other operators, necessitating a relook into the existing policy framework and Indian Telegraph Act, 1885 needs to be replaced with a more forward looking Act. Accordingly, Communication Convergence Bill, 2001, was introduced in Lok Sabha in August, 2001.

(d) & (e): No proposal has been sent to TRAI by the Government. However, Telecom Regulatory Authority of India (TRAI) has issued a Consultation Paper on the subject to seek comments of all stakeholders.

(f) In a free market and economy, the profit and loss of various operators depend upon various factors. It includes the policy adopted by them with respect to tariff to be charged, various concessions to be offered to subscriber, timeframe and manner in which project is to be executed. However Cellular operators have claimed that they are incurring losses despite tremendous growth in volume.

(g) Government would await the submission of recommendations of TRAI on the subject and take suitable further action.