

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

STARRED QUESTION NO:143
ANSWERED ON:06.03.2000
REVIEW OF POLICIES PERTAINING TO CELLULAR OPERATORS
ANNA SAHEB M.K. PATIL

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Government have recently reviewed the problems and policies pertaining to the private cellular operators in the country;
- (b) if so, the details thereof;
- (c) the reaction of the cellular operators thereto including the revision sought/directed in the rental tariff and related issues; and
- (d) the present status regarding the implementation of new rental tariff and other policy directives by the cellular operators? *****

Answer

MINISTER OF COMMUNICATIONS (SHRI RAM VILAS PASWAN)

(a) to (d) : A statement is laid on the Table of the House.

STATEMENT IN RESPECT OF PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION No. 143 FOR 6TH MARCH, 2000 REGARDING REVIEW OF POLICIES PERTAINING TO CELLULAR OPERATORS

(a) to (d) :

1. Yes, Sir. In the context of implementation of New Telecom Policy-1999 (NTP-99), a policy regarding migration of the existing licensees to NTP-99 regime of revenue sharing arrangement was approved on 6.7.1999. As a result, a Migration Package was offered to the existing Basic and Cellular Service licensees on 22.7.1999. On unconditional acceptance of the Migration Package, 20 Cellular Service companies holding 34 licenses and 6 Basic Service companies holding 6 Licenses have come into revenue-sharing regime and are at present in the process of migration.

Recently the prescribed due date of 31.1.2000 for payment of balance of the full outstanding license fee dues in terms of the Migration Package was extended to 15.3.2000 as a final opportunity to the operators who could not adhere to the earlier deadline, but with additional penalties.

These steps have generally been welcomed by the Cellular Operators.

2. There are certain other subsisting problems like lock-in period for equity, restoration of terminated licenses etc. of cellular operators. These are being looked into by the 'Group on Telecom and IT (Information Technology) Convergence' which was appointed on 13.12.1999 under the chairmanship of Finance Minister. The Government will take further action on receipt of recommendations of the said Group.

3. The present status regarding cellular tariff is as below : The Telecommunication Tariff Order, 1999 issued by the Telecom Regulatory Authority of India prescribed new cellular tariff including rentals which came into effect from 1st May, 1999. Cellular tariff including rentals was subsequently reduced vide 'Telecom Tariff (5th Amendment) Order, 1999' and simultaneously 'Calling Party Pays' (CPP) regime was notified vide 'Telecommunication Interconnection (Charges and Revenue Sharing - 1st Amendment) Regulation, 1999'. Both the Amendment Order and the Amendment Regulation were challenged in the Delhi High Court and the Regulation was quashed by the Delhi High Court on 17th January, 2000. At present, cellular operators are offering standard tariff package with monthly rental of Rs.475/- and Air Time Charge of Rs. 4/- per minute in Metros, and Rs.500/- and Rs. 4.50 respectively in Telecom Circles.