

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

UNSTARRED QUESTION NO:3942
ANSWERED ON:17.05.2006
COST OF TELEPHONE OPERATIONS
Singh Shri Dushyant

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

- (a) whether the Government proposes to bring down the cost of telecom operations in the country;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

- (a) It is the constant endeavour of the Government to rationalize and make affordable the cost of telecom operations in the country.
- (b) Some of the important steps taken by the Government in recent past to reduce the cost of telecom operations are as follows:
 - (i) The customs duty on import of telecom equipments covered under Information Technology Agreement (ITA) 1 has been reduced to zero.
 - (ii) Licence Fee for International Long Distance (ILD), National Long Distance (NLD) and Very Small Aperture Terminal (VSAT) Commercial services has been reduced to 6% of Adjusted Gross Revenue (AGR) with effect from 01.01.2006 from its previous level of 8-15%.
 - (iii) Government is facilitating a private sector initiative for sharing of infrastructure for mobile services by all operators in Delhi and Mumbai resulting in savings on capital cost and operational expenses.
 - (iv) Access Deficit Charge (ADC) has migrated to Revenue Share basis from per minute basis and maximum carriage cost has come down to 65 paise from 110 paise.
- (c) Does not arise in view of (b) above.