

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

UNSTARRED QUESTION NO:3714

ANSWERED ON:10.09.2007

INSTRUCTIONS BY TRAI

Patel Shri Jivabhai Ambalal;Thummar Shri Virjibhai

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

- (a) whether Telecom Regulatory Authority of India (TRAI) has issued such instructions last year which have caused losses to the Bharat Sanchar Nigam Limited (BSNL) and benefits to the private companies;
- (b) if so, the total number of instructions TRAI has issued to BSNL last year and the areas to which these instructions are related to;
- (c) the number of instructions out of them likely to cause loss to BSNL alongwith the estimated value of loss BSNL is likely to suffer due to such instructions;
- (d) the steps taken by the Government to meet the loss; and
- (e) the success achieved by the Government as a result of the measures taken?

Answer

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

(a) No, Sir. TRAI's endeavour is to ensure that the interest of the consumers are protected and at the same time to nurture conditions for growth of telecommunications in the country. While issuing any instructions in the form of Regulation, Direction, Order etc, TRAI's focus is on promoting level playing field and fair competition among service providers, providing consumer with adequate choice, affordable tariffs etc. in the overall interest of the consumers and the telecom industry.

(b) & (c) During the last financial year i.e. 2006-07 following Regulations/orders were issued by Telecom Regulatory Authority of India (TRAI) which have caused losses to BSNL:

(i) The Telecommunication Interconnection Usage Charges (Eighth Amendment) Regulation 2007 (2 of 2007) dated 21st March 2007 vide which Access Deficit Amount (ADC) payable to BSNL has been reduced from Rs. 3200 crores to Rs. 2000 crores for the year 2007-08. The loss to BSNL on this account is Rs. 1200 crores.

(ii) The Telecommunication Interconnection (Port Charges) Amendment Regulation 2007 (1 of 2007) dated 2nd February 2007 vide which port charges have been reduced. The annual loss on this account is approximately Rs. 100 crores per annum.

(iii) TRAI's order No. 409-4/2007-FN dated 11th September 2006 regarding Admissibility of Revenue Sharing between Visiting Network and Terminating Network for Roaming calls vide which the claims of BSNL for revenue sharing with private mobile operators has been denied by TRAI. This will affect the revenue loss to BSNL @ Rs. 0.30 per minute for national roaming subscriber and @ 3.25 per minute for International Roaming subscriber.

(iv) TRAI's order No. 409-4/2006-FN dated 17th May 2006 regarding applicability of carriage charges for traffic handed over by mobile operators at level-II TAX for terminating in the SDCA. As per this BSNL will make loss of Rs. 0.10 per minutes on intra circle cellular call handed over at terminating LDCC TAXs of BSNL. The estimated loss on this account is approximately Rs. 264 crores per annum.

(d) & (e) TRAI is an autonomous body formed by act of Parliament to ensure level playing field and proper growth of telecom network. TRAI Act provides for notification of regulations by TRAI under Section 36 of TRAI Act and also empowered to issue directions under Section 13 of the Act. In these matters, Government has no power to interfere except to lay the regulations notified by TRAI in both the Houses of Parliament.