

MR. SPEAKER : Yes, I know. "The Central Government may from time to time fix the rates for the telecommunication services by a notification in the Telegraph Rules, 1959."

(Interruptions)

MR. SPEAKER : I am helpless.

(Interruptions)

MR. SPEAKER : I have given my ruling on this subject so many times.

SHRI SAIFUDDIN CHOWDHARY : We fear that many more will come.

MR. SPEAKER : The Minister.

THE MINISTER OF STATE IN THE
MINISTRY OF COMMUNICATIONS
(SHRI SONTOSH MOHAN DEV) : Mr.
Speaker, Sir...

SOME HON. MEMBERS : No, no.

PROF. MADHU DANDAVATE : We
are walking out...

(Interruptions)

12.26 hrs.

(Prof. Madhu Dandavate and some other
hon. Members then left the House.)

12.27 hrs.

STATEMENT RE : REVISION OF
POSTAL AND TELECOMMUNI-
CATION TARIFFS

[English]

THE MINISTER OF STATE IN THE
MINISTRY OF COMMUNICATIONS
(SHRI SONTOSH MOHAN DEV) : Mr.
Speaker Sir. The House is aware that the
Posts and Telecommunications Services are
one of the biggest public utility undertak-
ings of the country. These services are
utilised by all sections of the community and

our effort has been to maintain the services
in the best of satisfaction of the people and
expand them in towns and cities as well
as in rural and remote areas.

The House is aware that there are large
demands for expansion and upgradation of
telephone services in the country. At present,
against about 32 lakh main telephone connec-
tions, there is a waiting list of over 10 lakhs.
Some of the applicants have been waiting
for years together. There are also demands
for extending the telecommunication
services in rural areas and also to improve
the reliability and quality of service.

To do all this, the Department needs
additional financial resources. These finances
are to be generated internally and partly
by public borrowings. To be able to
generate internal resources and to service
the borrowings, the Department must
maintain an adequate rate of return.

The operation and maintenance cost
of the telecommunication services has
gone up very high due to increase in staff
salaries and escalation in prices of mainten-
ance stores and spares. While the index
of wholesale prices (1960-61=100) has gone
up to 700 in Nov., 1986, the average price
(tariff) index for telephone services during
the same period has increased to only about
360, clearly indicating that the Department
has absorbed most of the inflationary
impact in its input prices without passing
on the burden to the subscribers.

12.28 hrs.

[SHRI SHARAD DIGHE in the Chair]

Similarly with the successive sanctions
of DA and additional DA, the manpower
cost per person has also continuously
risen and stands at nearly 12 times the cost
per person in 1960. Recently the recom-
mendations of 4th Pay Com-
mission have also cost the Department
about Rs. 100 Crores a year.

Apart from increase in the operation
and maintenance cost of the services, the
capital cost of providing a new telephone
connection has also increased substantially

due to escalation in prices as well as introduction of electronic and other exchanges with modern technologies in the network. The revenue per telephone connection is not commensurate with the capital invested. In fact, most of the new projects are running at a loss. Further, as a measure of social responsibility and balanced development of rural and remote areas, the Department is providing telecommunication services in these areas on a high subsidy, at a loss.

The Department of Telecommunications prepared an ambitious plan to invest Rs. 11,300 crores during the Seventh Plan against which the Planning Commission has allotted Rs. 4,010 crores only.

In the light of the above factors, the Government has very reluctantly decided to increase some of the Telecom. and Postal tariffs. In doing so, however, we have taken care that the burden of increased tariffs does not fall too much on the lower income groups. In the light of this it has been decided :—

- (1) Not to increase the local call charges from public telephones ;
- (2) Not to increase the call fees from the long distance public telephones in rural areas ;
- (3) Not to increase the tariffs for telegrams ;
- (4) Not to increase the rentals for telephone connections.
- (5) Not to increase the charges for installation of new connection and for the shifting of a telephone in a telephone exchange system of less than 500 lines.
- (6) Not to increase tariffs in respect of rural subscribers who are served by flat rate exchanges where only a flat rate of rental is charged.

At the same time we are increasing free call limit by another 75 calls in a bi-monthly period from 200 calls to 275 calls. This

will provide relief to the low calling rate subscribers whose telephone bill will, in effect, come down. The value of free calls will come to Rs. 990 per year at the new tariffs against the rent of Rs. 750 to Rs. 1200 per annum for different sizes of telephone systems.

The main increase in tariffs relates to the local and trunk call charges. The chargeable calls out of the first 2000 local calls made in a bi-monthly period will be charged at 60 paise per call instead of existing 40 paise. Calls made in excess of 2000 calls will be charged at 80 paise instead of 50 paise at present.

The increase in the local call charges will largely affect only the heavy calling rate subscribers. The trunk call charges are being increased suitably according to distance.

PBX and PABX are used basically by large establishments. The cost of providing and maintaining such facilities has been rising. It has, therefore, become necessary to increase the rentals for PBX and PABX.

Similarly, the cost of providing and maintaining the telex, teleprinter and telephone circuits has also been rising. The rentals for such facilities are suitably increased to cover the higher cost. These again are being used by large establishments.

The installation and shifting charges of telephone and telex are being increased to cover the actual cost. However, suitable rebate is provided to a subscriber wherever he arranges his own equipment and internal wiring.

The proposed increase is expected to yield an additional revenue of about Rs. 375 crores in a full year. I may mention that even with these increases the index for telephone tariffs with 1960 as 100, will still be only 490, which is only 70 per cent of the corresponding general wholesale price index.

It is proposed to implement the revised

tariffs with effect from December 1, 1986.

The Indian Telegraph Rules, 1961 will be suitably amended to bring into force the above changes under the authority vested in the Central Government under Section 7 of the Indian Telegraphs Act, 1885. The relevant notification in the official gazette will be placed in the House in due course. Annexure giving the existing and proposed new tariffs is attached.

I will now speak to you about the Postal Services in our Country. As you are all aware Postal Services play an important role in the life of the community. Our Postal network is the largest in the world. The Postal operations provide an essential service to the common man. We have as many as about 1.45 lakh Post offices spread all over the country of which as many as 1.3 lakhs are in rural areas.

The Department of Posts is incurring recurring losses in running its various services. The deficit, which stood at Rs. 136 crores in 1984-85, rose to Rs. 163 crores in 1985-86. With the further increase in the cost of operations due to the implementation

of the 4th Pay Commission recommendations and all round increases in other operational costs such as air freight, rail freight, etc., the deficit is expected to be of the order of Rs. 400 crores during 1986-87. The last revision in tariff was made in June 1982. Since the deficit will be beyond our expectations, we have no other alternative except to increase the tariff of certain items which are not largely used by the common man. We propose to increase the tariff on book packets containing printed books and periodicals, registration fees, commission on money orders and Indian Postal Orders. However, in order to protect the interests of rural population, who may be sending money orders for smaller amounts, we have not increased the commission for money orders upto Rs. 50/-. These revisions will come into effect from January 1 next year.

On account of these revisions, the Department expects to earn an additional revenue of about Rs. 79 crores in a full year.

Annexure showing the details of the tariff revisions is attached.

ANNEXURE

Statement-I showing revision of Telecommunication Tariffs

Sl. No.	Name of service	Present tariff (in Rs. unless stated otherwise)	Proposed tariff (in Rs. unless stated otherwise)	Remarks
1	2	3	4	5
1.	Installation fee for a new Telephone connection in an exchange system of :—			
	(a) less than 500 lines	300	No change	If a subscriber provides his own internal fitting in an exchange system of 500 lines and above, a rebate of Rs. 500 will be allowed for a new connection and Rs. 300 for shifting.
	(b) 500 lines and above	300	800	
2.	Shifting charges in an exchange system of :—			
	(a) less than 500 lines	150	150	If subscriber provides his own internal fitting, a rebate of Rs. 500 will be allowed for a new connection and Rs. 300 for shifting.
	(b) 500 lines and above	150	600	
3.	Installation fee for a new Telex connection	300	800	
	(b) Shifting charges for a Telex connection.	300	600	

1.	2	3	4	5
4.	(a) Temporary connection for the first 6 months.	1½ times the normal rentals	Double the normal rental.	
	(b) Connection from a temporary exchange or temporary PAX for the 1st KM	Rs. 150/- p.m. inclusive of call charges	Rs. 300/-p.m. inclusive of call charges.	
	(c) <i>Casual connection</i>			
	(i) 1 to 10 days	90	Equivalent to half of bi-monthly rental.	
	(ii) 11 to 20 days	180	Equivalent to one bi-monthly rental.	
	(iii) 21 to 30 days	180	Equivalent to one and half times the bi-monthly rental of respective exchanges.	
5.	(a) <i>Annual rental for Extensions to DELs</i>			
	(i) Internal extension with ICF	350		500
	(ii) Internal extension without ICF.	300		400
	(iii) External extension. First KM each addl. KM	700 400		1400 800
	(b) Telephone connections to PBX and PABX (i) Internal connections.	300		400
	(ii) External connections. First KM each addl. KM	700 400		1400 800

1.	2.	3	4	5
	(b) Rental for Telex Subscriber line inclusive of rent of electro-mechanical TP machines.	4500	6000	
	(c) When the TP machine is provided by the Subscriber himself.	900	1500	
9.	<i>Rental for leased telegraph circuits :</i>			
	(a). 50 bauds			
	(i) Other than Press	60	125	
	(ii) Press	20	half of above.	
	(b). 75 bauds			
	(i) Other than Press	90	200	
	(ii) Press	30	half of above.	
10.	Leased circuits for Telephone and Telegraph will be provided only on full time basis and not for part of day.			
	Hand Micro Telephone Instrument provided at each terminal of Telephone circuit.	60	150	
12.	<i>Rental for PABXs</i>			
	(a) 5 lines PABX	1200*	600 +	
	(b) 9 lines PABX	2400*	1200 +	
				* inclusive of rent for all their internal connection.
				+ Represents rentals only for the board. Internal connections are to be charged for separately at the prescribed rate as in the case of other boards.

1	2	3		4		5		
		Electro- mechanical Ord.	Electronics Hotel Ord.	Electro- mechanical Hotel Ord.	Electronics Hotel Ord.	Electronics Hotel Ord.	Hotel	
12. (c)	Extendable type PBXs and PABXs for the capacity of :	(Rs. in lakhs)						
(i)	100 line	0.7	0.85	—	1.2	1.5	1.8	2.25
(ii)	200 lines	1.1	1.35	—	1.9	2.3	2.9	3.55
(iii)	300 lines	1.5	1.85	—	2.6	3.1	4.0	4.85
(iv)	400 lines	1.9	2.35	—	3.3	3.9	5.1	6.15
(v)	500 lines	2.3	2.85	—	4.0	4.7	6.2	7.45
(vi)	600 lines	2.7	3.35	—	4.7	5.5	7.3	8.75
(vii)	700 lines	3.1	3.85	—	6.5	7.5	8.4	10.05
(viii)	800 lines	3.5	4.35	—	7.2	8.3	9.5	11.35
(ix)	900 lines	3.9	4.85	—	7.9	9.1	10.6	12.65
(x)	1000 lines	4.3	5.35	—	8.6	9.9	12.5	15.00
(xi)	1100 lines	4.7	5.85	—	9.3	10.7	13.6	16.30
(xii)	1200 lines	5.1	6.35	—	10.0	11.5	14.7	17.60
(xiii)	For more than 1200 line capacity, the increase in rental for every 100 lines beyond the rental shown against item (xii) above.	0.4	0.5	—	0.7	0.8	1.1	1.3

Statement-II showing revision of Postal Tariffs

Sl. No.	Name of the service	Present tariff (paise)	Revised tariff
1.	2	3	4
			5
1.	<p>Book packets containing printed books :</p> <p>Upto 100 gms. 15</p> <p>for every 50 gms. thereafter in excess of 100 gms. 10</p> <p>for every 100 gms. thereafter in excess of 100 gms. 30 p.</p> <p>30 p.</p> <p>30 p.</p>		
2.	<p>Book packets containing periodicals :</p> <p>Upto 100 gms. 25</p> <p>for every 50 gms. thereafter for every 100 gms. thereafter in excess of 100 gms. 30</p> <p>30 p.</p>		
3.	<p>Registration:</p> <p>(a) fee for registration Rs. 2.75 Rs. 4.50</p> <p>(b) concessional registration fee for VPP containing printed books. 65 Rs. 1.25</p> <p>Note : For the Purpose of (b) the value upto which this concession will be applicable is proposed to be raised from Rs. 20/- to Rs. 50/-.</p>		
4.	<p>Acknowledgements :</p> <p>Fee for each acknowledgement. 30 50 p.</p>		
5.	<p>Recorded delivery :</p> <p>(a) Fee for recorded delivery Rs. 1.00 Rs. 2.00</p> <p>(b) Intimation to sender 30 50 p.</p>		

1	2	3	4	5
6. Money orders :	for every Rs. 10/- or part thereof. for money order not exceeding Rs. 20/-	30 60	For amounts upto and including Rs. 50/-	30 p. per every Rs. 10/- or part thereof.
	For every additional Rs. 10/- or part thereof in excess of Rs. 20/-	30	For amounts above Rs. 50/-.	40 p. per Rs. 10/- or part thereof.
			(Example for Rs. 51-60 Rs. 61-70 10 p.	Rs. 2.40 Rs. 2.80 etc).
	Price of money order form	10		
7. Indian Postal orders :	Commission on each IPO			
	Upto Rs. 10/-	30		Rs. 50
	Upto Rs. 20/-	60		Rs. 1.00
	Upto Rs. 30/-	90		Rs. 1.50
	Upto Rs. 40/-	Rs. 1.20		Rs. 2.00
	Upto Rs. 50/-	Rs. 1.50		Rs. 2.50
	Upto Rs. 100/-	Rs. 3.00		Rs. 5.00