

**SEVENTEENTH REPORT**  
**STANDING COMMITTEE ON**  
**INFORMATION TECHNOLOGY**  
**(2001)**

**(THIRTEENTH LOK SABHA)**

**MINISTRY OF COMMUNICATIONS**  
**(DEPARTMENT OF TELECOMMUNICATIONS)**

**LIMITED MOBILITY THROUGH WLL FOR**  
**FIXED SERVICE PROVIDERS**

*Presented to Lok Sabha on 8.3.2001*

*Laid in Rajya Sabha on 8.3.2001*



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*March, 2001/Phalguna, 1922 (Saka)*

**CORRIGENDA TO THE SEVENTEENTH REPORT (THIRTEENTH LOK SABHA) OF  
THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2001)**

<b><u>PAGE No.</u></b>	<b><u>PARAGRAPH No.</u></b>	<b><u>LINE No.</u></b>	<b><u>FOR</u></b>	<b><u>READ</u></b>
1	1	4	"Licenses"	"Licences"
3	9	5	"for"	"nor"
5	18	5	"DCMA"	"CDMA"
11	33	4	Add: "for" after "allocated"	
15	47	9	Delete: "in"	
20	62	15	"in"	"In"
24	69	9	"operators"	"operates"

## CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE .....	(iii)
INTRODUCTION .....	(v)
REPORT .....	1
ACRONYM .....	25
ANNEXURES	
I. Minutes of the Third Sitting of the Committee held on January 9, 2001 .....	26
II. Minutes of the Fourth Sitting of the Committee held on January 9, 2001 .....	29
III. Minutes of the Sixth Sitting of the Committee held on January 24, 2001 .....	32
IV. Minutes of the Eighth Sitting of the Committee held on February 8, 2001 .....	35
V. Minutes of the Tenth Sitting of the Committee held on March 1, 2001 .....	37
APPENDIX    Amendments made by the Committee in the Draft Seventeenth Report .....	39

COMPOSITION OF THE STANDING COMMITTEE  
ON INFORMATION TECHNOLOGY  
(2001)

Shri Somnath Chatterjee — *Chairman*

MEMBERS  
*Lok Sabha*

2. Shri Ambareesha
3. Shri Mahendra Baitha
4. Shri Pawan Kumar Bansal
5. Prof. Dukha Bhagat
6. Shri Tara Chand Bhagora
7. Shri Nikhil Kumar Chaudhary
8. Shri Adhir Ranjan Chowdhary
9. Shri T. Govindan
10. Adv. Uttamrao Dhikale
11. Shri Jawahar Lal Jaiswal
12. Shri K. K. Kaliappan
13. Dr. C. Krishnan
14. Shri Bhartruhari Mahtab
15. Shri Simranjit Singh Mann
16. Shri G. Ram Mohan
17. Shri A. K. Moorthy
18. Shri Karia Munda
19. Shri K. Balrama Krishna Murthy
20. Shri Sheeshram Singh Ravi
21. Shri K. A. Sangtam
22. Shri Saroj Tufani
23. Sardar Buta Singh
24. Shri Chandra Vijay Singh
25. Rajkumari Ratna Singh
26. Shri Vinay Kumar Sorake
27. Shrimati D.M. Vijaya Kumari
28. Shri Vinay Katiyar
29. Shri A. Krishnaswamy
30. Shri G. Ganga Reddy

(iv)

*Rajya Sabha*

31. Dr. M. N. Das
32. Shri Balkavi Bairagi
33. Shri Shatrughan Sinha
34. Shri Narendra Mohan
35. Shri Balbir K. Punj
36. Dr. Y. Radhakrishna Murthy
37. Shri Munavvar Hasan
38. Shri P. N. Siva
39. Shri Kartar Singh Duggal
40. Miss Lata Mangeshkar
41. Shri R. N. Arya
42. Shri K. Rama Mohana Rao
43. Shrimati Kum Kum Rai
44. Dr. Dasari Narayana Rao
45. Shri Rajiv Shukla

SECRETARIAT

2. Shri P. D. T. Achary — *Joint Secretary*
3. Shri S. K. Sharma — *Deputy Secretary*
4. Shri A. S. Chera — *Under Secretary*

## INTRODUCTION

1. I, the Chairman, Standing Committee on Information Technology (2001) having been authorized by the Committee to submit the Report on its behalf, present this Seventeenth Report (Thirteenth Lok Sabha) on "Limited Mobility through WLL for Fixed Service Providers" relating to the Ministry of Communications (Department of Telecommunications)

2. The Committee received a number of representations from the Cellular Operators Association of India (COAI) who apprehended that if "limited mobility" was introduced it would disturb the level playing field for various reasons. The Committee also received representations from the Association of Basic Telecom Operators (ABTO) who advocated the introduction of "limited mobility" on the ground that the benefits of technological advancements must be passed on to the consumers. The Committee, thus, took up the subject for thorough examination and called for information from Department of Telecommunications (DoT) and Telecom Regulatory Authority of India (TRAI).

3. The Committee took evidence of the representatives of the Department of Telecommunications (DoT) and Telecom Regulatory Authority of India (TRAI) at its sittings held on January 9, 2001 and February 8, 2001. The Committee expresses its thanks to the representatives of DoT and TRAI for appearing and placing before the Committee the detailed information that the Committee desired in connection with examination of the subject.

4. The Committee is also thankful to the representatives of the Cellular Operators Association of India (COAI) and Association of Basic Telecom Operators (ABTO) for appearing before the Committee and placing before it the information asked by it.

5. In this Report the Committee, after hearing the views of COAI, ABTO, DoT as well as TRAI, has come to the conclusion that introduction of "limited mobility" through technological innovation would immensely help faster roll out of the network, increase tele-density and greatly benefit the consumers as long as there is marked difference in the scope of the two services *i.e.* GSM based cellular mobile and CDMA WLL based limited mobility services and provided the level playing field for any of the operators is not imbalanced.

6. The Report was considered and adopted by the Committee at its sitting held on March 1, 2001.

7. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters.

NEW DELHI;  
7 March, 2001  

---

16 Phalgun, 1922 (Saka)

SOMNATH CHATTERJEE,  
Chairman,  
Standing Committee on  
Information Technology.

## **REPORT**

### **Introductory**

The New Telecom Policy (NTP), 1999 has contemplated achievement of greater tele-density in the country both by laying of underground cables and also by use of Wireless in Local Loop (WLL) System. The Licenses issued by the Department of Telecommunication (DoT) to basic service providers stipulated use of WLL System as one of the methods to be taken recourse for the expansion of the network.

2. The Basic Service Operators (BSOs) have deployed Wireless in Local Loop (WLL) systems as Fixed Wireless Access Systems. These systems are also capable of being used to provide mobility within a specified area using the same frequency spectrum as already allotted to them. Recently there has been a demand from the BSOs to offer some mobility as part of the Basic Service Package to expand their customer base. The Department of Telecommunications (DoT) apparently in response to such demand recently sought recommendations from the Telecom Regulatory Authority of India (TRAI) for permitting limited mobility by use of WLL Systems.

3. In this context, the Committee has received a number of representations both from the Cellular Operators Association of India (COAI) and the Association of Basic Telecom Operators (ABTO)—the former opposing grant of limited mobility on the ground of backdoor entry of Fixed Service Providers (FSPs) thereby providing uneven playing field and the latter contending that limited mobility will not be an encroachment upon the domain of Cellular services and that the benefits of technological advancements must be passed on to consumers especially when it provides better and cheaper telecom services.

4. Against this background, the Committee took up the subject for examination and heard the view of both COAI and ABTO apart from those of the representatives of DoT and TRAI.

### **Areas of Concern for the Cellular Operators**

5. The Cellular Operators Association of India (COAI) in its numerous representations to the Committee, the Department of Telecommunications (DoT) as well as to the Telecom Regulatory Authority of India (TRAI) have pleaded that there is no such concept of "Limited Mobility Service" anywhere in the existing framework of telecommunications. Therefore, WLL limited mobility has to be viewed as a new service and, if it is to be introduced, due regulatory process must be followed. The Regulator must recommend the timing for introduction of new services/service providers as well as the terms of conditions of entry.

6. The COAI have further submitted that there has been no provision in the licence agreement for the Basic Service Operator to provide mobility using WLL technology. The licence awarded to Fixed Service Providers (FSPs) is only to provide fixed services and the mobile license awarded to Cellular Mobile Service Providers (CMSPs) is only for providing mobile services. There is no overlapping permitted between the two services. In other words, a mobile licensee is entitled to use any technology for the provision of mobile services and similarly an FSP licensee can use any technology for the provision of fixed service only.

7. The Association has, therefore, alleged that the terms of reference issued by the DoT to TRAI clearly demonstrate a pre-determined mind and it shows that a decision has already been taken for introduction of a new service and, therefore, it has requested TRAI to make recommendations only with respect to scope of the areas of hand-held Subscribers Terminal under Wireless Access System Operation, the basis of assigning WLL frequencies etc.

8. It has further been submitted that the TRAI has denied the Association any opportunity for a discussion on the fundamental question as to whether or not such a service is legally permissible under the current licensing regime and the impact of such an introduction on the current FSP and CMSP licences.



9. Regarding the licencing of Cellular Service Providers, the Association has argued that if FSPs are now permitted to provide mobile services also, then unlimited number of players will be able to enter mobile services without even holding a mobile licence. This is according to COAI neither the intent for the spirit of either NTP-99 or the law of the land or the contract. The Association agrees that there should be more mobile licences but simultaneously contends that if the FSPs want to provide any form of mobile services, they should do so by applying for the Fourth Mobile licence that has currently been recommended by the TRAI.

10. Therefore, for providing any Mobile Service, whether with "Limited Mobility" or otherwise, FSPs should apply for new licence which can only be granted on the same terms and conditions as those of existing mobile licences.

11. Even in the recent guidelines issued by the Government for the introduction of a fourth operator in cellular services, it has been clearly reiterated that any digital technology (CDMA is a digital technology) can be used to offer mobility services and this will come within the purview of a mobile licence and will be subject to the terms and conditions as applicable to mobile operators. The Association has pointed out that if this approach is not adhered to, there will be little, if any, interest in bidding for a Fourth Operator Licence as the backdoor entry of FSPs into cellular services will greatly depress the business potential of Cellular Services. In the process, it is estimated that the Government revenues through bids will be impacted by as much as Rs. 3000 crore.

12. Secondly, on the issue of spectrum the COAI has submitted that provision of mobility in WLL CDMA, (which will be technology based) utilizes/consumes a lot more spectrum per subscriber than the provision of fixed wireless access through WLL CDMA. The FSPs clearly want to use this scarce public resource in a sub-optimal manner under the preferential fixed service licence terms, which is contrary to both the spirit and letter of their licence.

13. The Association has further pointed out that 800 MHz spectrum in most countries has been reserved for mobile applications only and issued under mobile licences with mobile licence fees, terms and conditions.

14. The next reservation that the COAI has expressed is that WLL CDMA is not a cheaper technology than Global System of Mobile (GSM) and that the economies of scale that exist with GSM are not available with other technologies. Even the Operators who provide both basic and cellular services in India have clearly indicated the cost benefits of GSM to that of WLL CDMA. The only reason that FSPs will be able to provide/offer mobile services at Rs. 1.20 for three minutes is not because of deploying a cheaper technology than GSM, but because of the fact that they intend to cross-subsidize their mobile services from their retained long distance revenues. This will be to the tune of 60% of their STD call revenues, 45% of their international call revenues and 100% of their local call revenue. Besides, FSPs will also have the additional advantage of a lower entry licence fee and lower annual licence fee payments *vis-a-vis* the CMSPs.

15. The COAI has further stated that the depressed business valuation of Cellular Projects, in the event of FSPs being permitted to offer WLL based mobility, will severely damage the foreign investor confidence and deter Foreign Direct Investment (FDI) inflows in the Indian Telecom Sector. Given the persistent ambiguities in Government policies, there is very real chance that the foreign investment may be diverted to the other more attractive destinations. They apprehend that this will have a disastrous impact on India's prospects of developing its telecom infrastructure and achieving its tele-density objectives as envisaged in NTP, 1999.

16. The next concern of the Association has been that the grant of mobility to FSPs will in one stroke give Bharat Sanchar Nigam Limited (BSNL) who is the dominant incumbent and a monopoly fixed service provider in most service areas, a national all-India licence to provide limited mobile service which will be disastrous for the CMSPs.

17. Thus, according to the Association, the "unjust" and "backdoor entry" of FSPs in Cellular business will severely hamper the business viability of Cellular projects as FSPs can offer WLL based mobility services within the entire service area at far lower tariffs due to advantage of lower licence fees, cross subsidization of local calls from Long Distance revenues etc. As almost 90 percent of Cellular revenues come from individual towns and cities within a circle, this will severely affect the business of CMSPs who have paid over Rs. 6,000 crore as Licence Entry Fees and invested another Rs. 9,000 crore in setting up their Cellular businesses and are still sustaining accumulated losses of over Rs. 7,600 crore.

18. In the course of evidence, the representative of COAI submitted before the Committee that in the event of permission to FSPs to offer WLL based mobility services, they would *de-facto* become mobile operators because once radio waves are beamed from transmitters through micro-cellular technology, whether GSM or DCMA, it would not be possible to stop radio waves and it would go over a wider area until weakened off completely. He contended that although with present technology these radio waves could go upto 25 Kms. or 50 Kms, yet tomorrow's technology would take it upto 200 Kms. and more. Moreover, with the advancement in technology definition of Short Distance Charging Area (SDCA) which is presently co-terminus with that of a Taluka may cover larger areas. Therefore, the concept of 'Limited Mobility' as envisaged in Short Distance Charging Area (SDCA) is nothing but "full mobility" for FSPs which violates all procedure prescribed by law.

19. The COAI's further grievance is that there has been rank discrimination against the Cellular Operators in the revenue sharing. The Cellular Operators are sharing 17 per cent of their annual revenue all over the country with the Government whereas the BSOs have been asked to pay 12 per cent for Metros and 'A' circles, 10 percent for 'B' circles and 8 percent for 'C' circles. The Cellular Operators should also be offered differential revenue sharing rates as the backward areas in the country cannot be equated with the developed areas like Delhi. Similarly, for STD and ISD calls the Cellular Operators pay 100 per cent of such charges collected from the subscribers to the DoT whereas the FSPs retain 60 per cent and 45 per cent of the charges from STD and ISD calls respectively and pay the rest to the Department.

20. When it was pointed out that unlike the FSPs, the CMSPs had substantially higher air time charges to compensate the inter-connection loss from long distance calls, the representative of COAI replied that there were very high air time charges upto the tune of Rs. 16.8 in 1995, but it has been reduced and today, the maximum air time charges allowed by law is Rs. 4 and effective charge is 2 or 3 rupees.

21. Regarding per line infrastructure cost of the FSPs being Rs. 30,000/- whereas for CMSPs it was between Rs. 10,000/- to Rs. 12,000/- the representative, COAI stated that as a matter of fact the existing cellular systems when set up a few years back had incurred cost of more than Rs. 30,000/- per DEL. Moreover, when the cost of GSM is compared to that of WLL CDMA, there will not be much of a difference.

22. The witness further stated that the regulatory cost that a Cellular Operator pays comes to on an average 45 to 60 per cent of his revenues to the Department by way of inter-connection revenue share and spectrum charges and it is making a huge difference for the CMSPs.

23. Asked to substantiate this contention of discrimination against the CMSPs, COAI furnished the following statement to the Committee which indicates impact of various lives on CMSPs *vis-a-vis* FSPs.

**FIXED SERVICE PROVIDERS VERSUS CELLULAR MOBILE SERVICE PROVIDERS**

Issue	Fixed Service Providers	Cellular Mobile Service Providers	COAI Comments
1	2	3	4

**I. Entry Fee as a % age of License Fee Bid Amounts**

Less than 5%	30% and upwards	Lower license cost structure to FSPs.
Due to the back-loaded license fee structure	Some CMSPs, due to a front-loaded license fee structure have ended up paying as much as 90% of their bid amount as entry fee	

**II. Annual Revenue Share**

Metro & Circle A	12% p.a.	17% p.a.	Lower annual operating costs to FSPs.
Circle B	10% p.a.	17% p.a.	
Circle C	8% p.a.	10% p.a. for the vacant Circles of Jammu & Kashmir and Andaman & Nicobar	

1	2	3	4
<b>III. Retention of Interconnect Revenue per Unit Call Charge</b>			
Local Calls	100% Retention Retains Rs. 1.20 Pays BSNL Nil	0% Retention Retains Nil, Pays BSNL Rs. 120	FSPs have the potential to cross-subsidize from retention of long distance revenues.
STD calls	60% Retention	0% Retention	
Delhi-Mumbai	Retain Rs. 15.12 Pays BSNL Rs. 10.08	Retains Nil Pays BSNL Rs. 25.20	
ISD calls	45% Retention	0% Retention	
Delhi-New York	Retains Rs. 22.14 Pays BSNL Rs. 27.06	Retains Nil, Pays BSNL Rs. 49.20	
<b>IV. Intra-circle calls</b>			
0-50 kms.	1.20 per 3 minutes	Rs. 4.00 per minute	FSPs are charging 50% to 450% more than CMSPs for long distance calls within State boundaries.
50-100 kms.	1.20 per 2 minutes	Rs. 4.00 per minute	
100-200 kms.	2.40 per minute	Rs. 4.00 per minute	
200-500 kms.	18.00 per minute	Rs. 4.00 per minute	
500-1000 kms.	25.20 per minute	Rs. 4.00 per minute	

1	2	3	4
---	---	---	---

**V. Roll-out of Services**

Have by and large met/exceeded their roll-out requirements.	Is it fair to permit FSPs to enter another service, when they have not fulfilled the obligations under their current contract.
---	--

**VI. Service Area Classification**

Hughes Ispat has license for Maharashtra, which includes Mumbai. Similar clubbing of Fixed Line service areas for Tamil Nadu & Chennai, Calcutta & West Bengal

BPL has separate licenses for Mumbai and rest of Maharashtra.

Cheaper & seamless calls for FSPs whereas for the CMSP, they will be classified as inter-circle calls & can be carried only thorough the fixed line network.

24. Elaborating the demands of the Cellular Operators for a level playing field, it was stated that if the following long pending demands for equitable licence terms and conditions were provided by the Government, then there would be very substantial reductions in the tariffs of regular cellular services:—

- (i) Identical level of License entry fee (CMSPs had to pay on an average about 30% and more of their bid amount for migrating to NTP, 99 whereas FSPs had to pay just 5% of their bid amount for such migration).
- (ii) Identical level of Revenue share licence fee which should also be in line with international norms where these do not a level of 5% to avoid burden passing to end-consumer.
- (iii) Equitable, cost based and non-discriminatory inter-connection access charges for CMSPs in line with as provided to FSPs.  
(FSPs pay 40% or less of the charges that CMSPs are obliged to pay for the same type of calls)
- (iv) Direct Inter Circle conductivity between CMSPs as provided for in NTP, 99.
- (v) Direct Conductivity of CMSPs to VSNL International Gateways as mandated by NTP, 99.

25. According to COAI by seeking the above terms and conditions, they are not asking anything outside the framework. Rather, if the demands are accepted by the Government, it will not only off-set their loss of revenue, the present rate of Cellular tariffs will also drastically come down in the best interests of the consumers.

#### **Submission of Basic Telecom Operators**

26. The Association of Basic Telecom Operators (ABTO) in their Memorandum to the Committee have submitted that the Cellular Operators demand not to allow limited mobility thorough WLL technology is unjustified for various reasons. First of all, limited mobility through WLL will be an affordable supplementary basic service and is certainly different from the cellular mobile service. It will primarily be used for voice communication and it will be a "common man's Mobile Phone" whereas the Cellular remains a "premium mobile service". Thus, a separate market will be created by the use of WLL services for the common man which will ultimately go a long way in increasing tele-density.

27. Secondly, WLL is one of the preferred technologies for a quicker roll out of networks across the world, as it does not call for digging and right of way clearances. Access could be provided through Fixed Wireless Terminals (FWTs) or handheld terminals that permit mobility. Limited Mobility will thereby increase the pace of connectivity as last mile access can be provided through WLL handheld sets. The Association has further stated that handheld sets cost Rs. 6,000/- as against Rs. 15,000/- for the FWTs. The very fact that a user can be contacted in a local area while he is mobile will lead to an increase in subscriber base thereby getting more people connected and thus move towards the final goal of increased tele-density.

28. The ABTO has stated that limited mobility through WLL is not a new service as has been depicted by the COAI. Rather it is an extension of the Basic Service enabled through the advancements in technology. In WLL limited mobility, it is only an additional choice which is offered to the customer to use small handheld sets through which he can have limited mobility. If the customer still chooses to go in for fixed wireless terminals (FWTs) as is done presently, the choice is still available to him.

29. The Association has further argued that the general impression that Private Basic Service Operators only provide last mile linkages and are dependent on the infrastructure provided by Bharat Sanchar Nigam Limited (BSNL) for provision of service is not true. As a matter of fact the BSOs like the BSNL and MTNL have to set up a full-fledged and independent infrastructure and network of their own which include the setting up of telephone exchange, installation of transmission network like optic fibre and microwave, erection of towers and laying of pipes for optical fibre network. Therefore, the network set up by the BSOs is independent of and parallel to the BSNL/MTNL network. In fact, it is a superior network incorporating state-of-the-art technology, latest billing systems and Customer Relationship Management (CRM).

30. Another point which the ABTO has put forward is that basic services are a subsidized service and the access charges are paid to Basic Service Operators to compensate to some extent the access deficit whereas the tariff for cellular services is cost-plus based not subsidized. Thus, there is no case for access charges to be paid to Cellular Operators.



31. As regards cost and tariff comparison between Basic and cellular networks (as of date) the following statement was furnished to the Committee by the ABTO.

**COST & TARIFF COMPARISON BETWEEN BASIC AND  
CELLULAR NETWORKS (AS OF DATE)**

	Basic	Cellular
Cost per Line	Rs. 30,000	Rs. 10,000
Present 3 mins tariff		
— incoming	No charge	Rs. 12
— outgoing	Rs. 1.20p	Rs. 12
Rentals (monthly)	Rs. 50-Rs. 250	Rs. 475-Rs. 525

32. It was further stated that cheaper tariffs would widen the subscriber base and propagate higher usage leading to higher revenue for the operators. Thus, the views of Cellular Operators according to ABTO, on depleted revenue streams are ill-founded.

33. On the spectrum issue, the Association has submitted that WLL technology uses the existing spectrum already available for BSOs for which spectrum charges are also being paid and hence does not encroach upon the Spectrum allocated Mobile Services which uses GSM technology.

34. To counter the argument of COAI that limited mobility has not been guaranteed under the licencing condition of the BSOs, the ABTO has stated that several benefits not envisaged by the licence or by the Regulator are enjoyed by the CMSOs which have adversely affected the business of BSOs. These benefits *inter-alia* include.

- (i) Use of cellular services for providing fixed services such as PCOs or better known as Mobile Community Phones Services (MCPS), which was not provided either in the licence or in NTP'99.
- (ii) Carriage of intra-circle long distance traffic and not passing this traffic to BSOs.

- (iii) Multiple points of interconnect even though the licence of Cellular Operators did not envisage this.
- (iv) Higher rentals set on account of Calling Party Pays (CPP) regime which were not rolled back even though the High Court of Delhi did not allow the CPP regime to be implemented and the Cellular Operators continued to charge Rs. 4/- per minute for all incoming calls and also higher rentals.
- (v) Licence does not permit cellular operators to charge for calling line identification, a feature of the switch, but all operators charge Rs. 99 per month for this service.
- (vi) Cellular Operators are not paying any additional licence fees for many paid services such as e-mail on phone, short messaging, information services, Internet connectivity etc. The Regulator has not fixed the tariff for most of these, but the customer is paying for them.
- (vii) The revenue share of 5 per cent on Long Distance Calls as recommended by TRAI is a concession which was not allowed in Cellular Operator's license.
- (viii) The Migration Package offered to Cellular Operators and accepted by them promises free and unlimited competition. But in reality, competition is restricted to four operators only.

35. The ABTO has pleaded that taking all the above factors into account, BSOs should be permitted to provide hand held sets using WLL technology to gainfully exploit the rapid advancement of technology thereby leading to higher tele-density, faster roll out and most importantly affordable and reliable mobile services for the subscribers.

36. In the course of evidence, the Committee desired to know whether the BSOs who had got licenses for providing only fixed services had ever asked DoT for mobility, limited or otherwise, and whether the concept was a part of the licence agreement. A representative of ABTO replied that WLL as a technology had been allowed in the licence itself right from the beginning. Earlier the technology provided for a fixed handset to be installed at the subscriber's premises. Now the advancement of technology is allowing mobile handsets as an optional choice for the subscribers. The representative further stated that the BSOs had applied for 'limited mobility' way back in 1995 when they applied for the tender document.

37. As regards increase in tele-density in the event of "limited mobility" permitted to FSPs, the Committee, from available information, pointed out that tele-density in countries like U.S.A. has increased not because of mobile phones but due to fixed telephony. The representative, ABTO agreed to the above and stated that in other countries, like China, more than fifty percent of the total telephony is mobile and as a result that country has been able to achieve a tele-density of 10.6 percent. He further stated that tele-density in any country depends upon two things-per capita income and affordability. In India, affordability factor is very important and, therefore, when the subscribers would get mobile service at a cheaper rate, tele-density will certainly improve.

38. The representative further submitted that with a view to pass on the benefit of new technology to the rural customers, the concept of limited mobility should be extended to the entire circle instead of limiting it to SDCA only. He summed up by stating that since the new mobile concept is cheap, durable and attractive, it should be allowed in the interest of common people.

#### **Views of the Department of Telecommunications (DoT)**

39. Pursuant to the representations of the COAI in the context of the introduction of limited mobility for the FSPs, the Department of Telecommunications (DoT) clarified that para 1.3 on NTP'99 states that convergence of both markets and technologies is a reality in forcing realignment of the industry. It also mentions that this convergence now allows the operators to use their facilities to deliver some services reserved for other operators necessitating a relook into the existing policy framework. The tender for the basic service operations and licence agreement based on that, has specified wireless as the preferred technology for subscriber loop.

40. NTP-99 also stipulates that WLL frequency shall be awarded to the FSPs, requiring the same based on payment of additional one time fee over and above the FSP entry fee. All the FSP operators utilising WLL technology shall pay a licence fee in the form of revenue share for spectrum charges. After issue of NTP-99, all the mobile and basic service operators had agreed to operate in a multiply regime. The higher entry fee as payable is because of migration from fixed license fee regime to revenue share regime and amount of licence fee payable upto the date of migration *i.e.* 1 August, 1999 being the entry fee for existing operators.

41. Moreover, the thrust of NTP-99 is to increase tele-density, transform the telecom sector into a competitive environment in both urban and rural areas while ensuring a level playing field as well as means for quicker roll out with the induction of new technologies providing cheaper communications. Thus, to ensure a transparent process, the DoT had requested TRAI to give recommendations on the subject including entry fee and licence fee for utilisation of spectrum.

42. The Department further clarified that in the tender document and license agreement, frequencies for cellular mobile service and for the operation of basic services were clearly defined. In case of CMS, it was GSM based cellular service while basic service operators were allowed to use WLL technology. Therefore, the two services are not comparable because with the different frequencies in the two technologies, it is not possible for a subscriber of one technology to roam into the other one as the handsets available in the market do not provide for the same.

43. Moreover, the cost of hand-held instrument is very low as compared to the cost of fixed wireless instruments and, therefore, it seems to be the only option for quicker roll out and one of the ways for providing affordable communications to the subscribers.

44. As regards the proposed entry of FSPs into the domain of cellular services, albeit limited, the Department has clarified that CMSPs could also provide fixed services taking another license. Moreover, portable and vehicle mounted subscriber terminals are permitted as per the tender for cellular mobile services.

45. With regard to direct connectivity of cellular mobile telecom service (CMTS) network with Videsh Sanchar Nigam Limited (VSNL) as well as other service providers outside their service areas, the DoT has stated that as per National Long Distance (NLD) policy announced by the Government after considering the recommendations of TRAI as well as provisions of NTP-99, connectivity beyond service area was permitted through NLD operator.

46. In the course of evidence, the Committee made some specific queries regarding the concept of "limited mobility", whether it had any reference or recognition in the NTP-99, the circumstances under which it was referred to TRAI etc. The Secretary, DoT stated that NTP-99 says "WLL will be used", but it does not specify whether it will be in the form of fixed or mobile. In this background when the Department got the recommendations of TRAI for FSP licenses, there was a reference in the recommendation that WLL is essential for faster roll out.

47. The Secretary, DoT further stated that in NTP-99, in the context of convergence, it has been stipulated that one service provider could provide services of somebody else following which the Department embarked upon a policy of unrestricted entry. However, in respect of the cellular sector, spectrum is a restraining and constraining factor which implies that other licensees cannot necessarily get cellular licences whereas there is no restriction upon the cellular operators getting any other licences. Therefore, in order to provide unrestricted competition in the telecom sector, the Department referred back in the issue of mobility to be provided through WLL to the TRAI requesting their recommendations on the sort of mobility and dispensation and quantum of additional fee to be imposed.

48. The Committee asked how the Department would be able to provide a level playing field when the CMSPs had different terms and conditions and even different amounts payable as rent. The Secretary, DoT responded that it was in this context that the Department had asked for the recommendations of TRAI that if the provision of flexibility and mobility was to be given in WLL service, what would ensure a level-playing field in terms of licence and extra fee. The rates are still to be determined because the recommendations of TRAI have just come in.

49. The Committee enquired whether introduction of limited mobility for FSPs would not hamper the business of the Cellular Operators. The Secretary, DoT replied that through the limited mobility concept, the subscriber would be able to use the handset only within the SDCA unlike the cellular service subscribers, who will have roaming facility; under limited mobility such facilities would not be available beyond the SDCA. The Secretary further stated that while seeking recommendations of TRAI in this regard, the Department wanted to have a level-playing field in respect of use of WLL, even if it is, in a sense, limited mobility. Asked to state categorically whether the introduction of WLL limited mobility would improve the tele-density of the country, the Secretary, DoT replied that it would certainly help a faster roll-out of the network.

### Views of TRAI

50. The Committee wanted to have the views of the Telecom Regulatory Authority of India (TRAI) on the concept of limited mobility through WLL and asked whether it would in anyway affect the market segment of the Cellular Operators. The Chairperson, TRAI submitted that the two services *i.e.* WLL and Cellular (GSM) were not entirely comparable in the sense that the latter could be of a much wider coverage State-wise, country-wise and internationally bearing special features like Wireless Access Protocol (WAP) or short messaging arrangements etc. which the former lacks. Secondly, the cost of cellular mobile services has come down by about 75 per cent as compared to what it was in 1994-95. For example, per line cost of cellular services was \$ 600 in 1994-95 which has now come down to \$ 140 per line. Therefore, the cost of four rupees for an outgoing call per minute, as the rate stands today is much better than what the Cellular Operators could really expect, submitted the Chairperson, TRAI. He further apprised the Committee that the cellular operators are capable of reducing the rates and even if they operate at the level of the basic service, they would still not be losing money. Therefore, the impact of WLL on the business of Cellular Operators is not going to be so serious as the case has been made out to be.

51. The Committee specifically enquired whether the proposed limited mobility would benefit the rural areas and ultimately help increase the tele-density of the country. The Chairperson, TRAI replied that the WLL limited mobility would be applicable to all SDCAs in the country, whether urban or rural (there are 2650 SDCAs in the country at present). He further stated that to achieve a tele-density of 15, there should be use of WLL technology without which faster roll out would not at all be possible either in the city areas or in the SDCAs. He emphasised that in the rural areas if copper lines were to be laid for 10 to 12 kms. for roll out, it would never succeed.

52. Asked to state the specific initiatives taken by the Regulator to reduce the apprehensions of cellular operators, the Chairperson, TRAI submitted that the best way to serve the interests of the consumer is to ensure fair and open competition for better telecom services. That was what TRAI has done and its effects would be seen within the next three months.

53. In its recommendations on the issues which were released to the press on 08 January, 2001, the Authority has observed that as the extent of WLL mobility is not comparable with that of the mobility and roaming enjoyed by mobile subscribers of GSM networks, the apprehensions of the CMSOs that they may be priced out of the market are exaggerated. In the short run, there would be some loss of revenue as the CMSOs in their efforts to retain the customers, reduce their tariffs to match that of their competitors. However, in the longer run the effect will largely be mitigated as with the reduced tariff the customer base would expand faster. It also needs to be kept in view that due to paucity of the available frequency spectrum, the supply of WLL services will be limited.

54. As regards the argument of the COAI that permitting WLL mobility would amount to violation of the CMSOs licence terms, the Regulator has clarified that with the acceptance of migration of NTP'99, the CMSOs have accepted that their markets will no more be protected for them by the terms of their licenses. NTP'99 as well as the recent policy announcements acknowledge greater competition as the policy norm in both basic and cellular mobile sectors. Increased competition, therefore, has to be generated, of course, without making the level playing field uneven.

55. Regarding the reservations expressed on the limited supply of WLL services due to scarcity of available frequency spectrum for the purpose, TRAI has stated that introduction of a service cannot be restrained because in the initial stages the demand is likely to outstrip the supply. The Regulator has been of the view that for sometime to begin with, demand may outstrip supply of WLL services at some places, particularly in metros, but eventually market mechanisms will prevail and an equilibrium between supply and demand will be reached.

56. In view of the foregoing and after completing a process of public consultations to ensure transparency in its decision making process, TRAI has arrived at the conclusion that as WLL mobility is not the same as that of the cellular mobile service and as the disturbance apprehended to be created in the level playing field by the BSOs introducing this service can be evened out by making some necessary policy changes, permitting WLL with mobility will be in the best interests of the consumer and the telecom service in the country.

57. Some of the important recommendations of TRAI in this regard are as follows:—

**A. Mobility through WLL provided by BSOs**

- (i) Limited Mobility should be allowed for WLL provided by BSOs. The extent of mobility should be within the local area i.e. the Short Distance Charging Area (SDCA).
- (ii) WLL with limited mobility should be provided as part of basic service licence.
- (iii) The entry fee and the licence fee as a percentage of revenue should not be altered and should be as already recommended for basic services.

**B. Tariff for WLL with Limited Mobility**

- (i) All calls from mobile WLL should be charged at the highest basic service call charge e.g. Rs. 1.20 per 180 seconds for local calls.
- (ii) The rental charge which will be cost based will be fixed by TRAI in the next three months taking into account the relevant costs of the last mile connections through WLL.
- (iii) Other tariff items (other than rental and call charges) should be those specified for basic services (excluding ISDN) in the Telecommunication Tariff Order, 1999.

**C. Allocation of and charge for frequency spectrum**

- (i) Basis of allotment and pricing of frequency spectrum, while being in accordance with the national plan, should be the same for both BSOs and CMSOs.
- (ii) For WLL, no change in methodology for frequency allocation is proposed. As basic service tariff rates will continue to apply for wireline as well as WLL fixed and handheld terminal mobility operations within the SDCA, TRAI does not recommend any additional entry fees for the spectrum. Existing mode of charging for spectrum should be applied for new operators also.



- (iii) WLL frequency for BSOs should be the same as already allotted to them in 800/900 MHz Band and 1700/1900 MHz Band in the NFAP-2000 and also as contained in the existing Basic Service License.
- (iv) So as to increase competition among BSOs in a service area, the CDMA Band of 20 MHz in the 800/900 MHz band should be distributed among four operators in each Basic Service Area *i.e.* 5 MHz each. This is necessary because the present proposal to allot 8 MHz to each operator will limit the competition to only 2 operators *i.e.* to a Duopoly market structure which is to in the interest of consumer.
- (v) Four more BSOs can be accommodated through micro-cellular technology in the 10+10 MHz spot reserved for WLL in 1800/1900 MHz Band.

#### D. Issues of Level Playing Field

- (i) Revenue share as licence for the CMSOs should be prescribed at 12% of the annual revenue *i.e.* the same revenue share as prescribed for BSOs in Metros and category "A" circles.
- (ii) CMSOs may be permitted to provide fixed phones based on their GSM network infrastructure. Their services can be of help in providing telephone connections in the rural areas and in case they provide such telephones which will qualify for the Universal Service Obligation (USO) funding, these may be considered as entitled thereto in the same manner as that of a BSO.

58. TRAI's determination on interconnection issued separately on 8 January, 2001 provides *inter-alia*:—

- (i) Number of Point of Interconnections (POIs) with BSNL/ MTNL to be increased to cover all level I and II Trunk Automatic Exchanges and tandem exchanges in metros. Interconnection is to be provided within three months of the request being made. If for any reason, it cannot be done, the matter will have to be reported to the Expert Committee working under the aegis of the TRAI who will then look into the reasons for the POI being delayed or not granted. TRAI taking all the facts of the case will, then, determine the issue.

- (ii) CMSOs may retain 5 percent of the total amount of long distance calls and other revenues that they collect from their subscribers and pass on to the BSOs for carrying the call. This would cover their collection costs and the bad debts.

59. Asked to comment upon the recommendations of TRAI on limited mobility, the representative of COAI responded that the recommendations of TRAI are extremely disappointing as they do not address any of the apprehensions of the Cellular Operators concerning level playing field. He further stated that the recommendations were beset with several contradictions and unexplainable explanations. He gave example of one such line which reads "while the licence agreement for the BSOs provide for use of WLL, it does not permit mobility". However, the Authority, without going indepth, has introduced the concept of limited mobility which is a novel concept not in vogue anywhere else.

60. The representative of ABTO also expressed his disappointment over the recommendations of TRAI as the same has not granted "full mobility", as demanded by the BSOs.

61. However, the Secretary, DoT exuded confidence and submitted that the recommendations of the TRAI on limited mobility aspect would address most of the concerns and problems expressed by the Cellular Operators.

62. The New Telecom Policy (NTP), 1999 proclaims as one of its objectives, the transformation in a time bound manner, of the Telecom sector to a creative competitive environment in both urban and rural areas providing equal opportunities of a level playing field for all players. It states that convergence of both markets and technologies is a reality i.e. "forcing realignment of the industry". It also mentions that this convergence now allows the Operators to use their facilities to deliver some services reserved for other operators necessitating a re-look into the existing policy framework. Thus, the thrust of NTP-99 is to increase tele-density, provide competition while ensuring level playing field as well as means for quicker roll out with the induction of new technologies providing cheaper communications. Pursuant to these objectives of the NTP-99, Department of Telecommunications (DoT) has been following a policy of unrestricted entry in all the Sectors as far as possible. in this context, the Committee notes that Wireless in Local Loop (WLL) technology which

was allowed in the Fixed Service Providers (FSPs) licence itself has been given a new thrust. Earlier this technology provided for a fixed wireless terminal (FWT) to be installed in the subscribers' premises, but with the advancement of technology now it is proposed to supplement the FWTs with mobile handsets capable of "Limited Mobility" within a radius of 50 Kms. This concept of "limited mobility" has become a bone of contention for the cellular operators for various reasons as brought out in the preceding paragraphs. On the other hand, Department of Telecommunications (DoT), Telecom Regulatory Authority of India (TRAI) and Association of Basic Telecom Operators (ABTO) have been vigorously advocating the introduction of limited mobility through WLL for fixed service providers (FSPs). The Committee, after considering the views of COAI, ABTO, DoT as well as TRAI, feels that when the development in technology permits new and an affordable facility to the consumers, such facility should not be denied to the consumers including those in rural and inaccessible areas. However, any likely adverse impact on the proper operation of the entire system and particularly so far as existing operators are concerned who are entitled to conditions which provide for level playing field is to be kept in view and means found out to mitigate the same, if necessary.

63. The first and foremost reservation that the COAI has expressed relates to the licence agreement of FSPs. According to the Association, the licence awarded to FSPs is only to provide fixed services and if FSPs are permitted to provide mobile services also, then unlimited number of players will be able to enter mobile services without even holding a valid mobile licence. Therefore, the Association is of the opinion that if FSPs want to provide any form of mobile services, they should do so by applying for the Fourth Mobile licence which has currently been recommended by the TRAI, otherwise bidding for the Fourth licence would be in jeopardy as the backdoor entry of FSPs into Cellular services would largely depress the business potential of cellular projects. NTP-99 allows the operators to use their facilities to deliver some services reserved for other operators. TRAI has clarified that with the acceptance of migration to NTP-99, the Cellular Mobile Service Operators (CMSOs) have agreed that their markets will no more be protected for them

by the terms of their licences. It has been pointed out by the ABTO that several benefits such as use of Cellular services for providing fixed services, carriage of intra-circle long distance traffic, multiple points of interconnect, higher rentals on account of Calling Party Pays (CPP), charge for calling line identification, e-mail on phone, short messaging, internet etc., which have been envisaged neither in the licence of the CMSOs nor been permitted by the Regulator are being enjoyed by the Cellular Operators. Therefore, according to ABTO, if some new services arising out of technological innovations which are not permitted in the licence or for which the Cellular Operators are not paying anything extra, can be enjoyed by the CMSOs, they should not grudge if some benefits, which were not originally envisaged in the BSO licences are accorded to them in the interest of the consumers. In view of the above conflicting interests, the Committee urges upon the Department to take every possible care in consultation with TRAI to see that advantages accorded to BSOs in the form of "limited mobility" should not act as deterrent to the expansion of Cellular operations and continuous review should be made of the effect of the decisions taken, consistent of course with the interest of the consumers and faster expansion of the telecom network at affordable tariff.

64. The Committee observes that, as stated by the COAI, in the guidelines recently announced by the Government for introduction of fourth operator in cellular services, it has been clearly reiterated that any digital technology which can be used to offer mobile services will come within the purview of mobile licence and be subject to the terms and conditions as applicable to mobile operators. The Committee has been informed that Code Division Multiple Access (CDMA) technology which will be used to offer limited mobility, is a digital technology and therefore, comes under the purview of a mobile licence; if it is so, it is not understandable how without a mobile licence BSOs will be able to offer mobility, even if a limited one. No doubt consumer interest should have all the priorities but no section of the operators should be provided special facilities at the expense of the other. The Committee is of the view that more indepth study should have been made, so that consistent with the interest of the consumers, no special or unusual decisions are taken which raise questions about providing level playing field to the operators.

65. The Cellular Operators have pointed out that the Licence Agreement for the BSOs provides for use of WLL, which does not permit mobility and therefore, the BSOs should not be permitted to offer mobility. The Committee is of the view that in view of the new technology when the WLL systems are capable of being used to provide mobility within a specified area using the same frequency spectrum at a much cheaper rate which will be for the benefit of the consumers, such technological development can not be ignored but use thereof should not create any controversy which may affect consumer interest.

66. The COAI has alleged that provision of mobility in WLL CDMA utilizes much more spectrum, which is a scarce natural resource, per subscriber than the provision of Fixed Wireless Terminals (FWTs) and thus FSPs will use this scarce resource in a sub-optimal manner under the preferential fixed service licence terms. The ABTO, on the other hand, has stated that WLL CDMA technology uses the existing spectrum already available for BSOs for which spectrum charges are also being paid and hence does not encroach upon the spectrum allocated for Cellular mobile service which use Global System for Mobile (GSM) technology. On the spectrum scarcity issue, TRAI on its part, has clarified that introduction of a service cannot be restrained only because in the initial stages the demand is likely to outstrip the supply. The Regulator has recommended that the frequency spectrum made available to both BSOs and CMSOs should be very reasonably priced and the basis of such allotment and pricing should be the same for both the operators so as not to create a serious pressure on their revenues. In this context, the Committee is of the opinion that availability of frequency spectrum and the price at which it is available to the service provider is going to be the most critical factor in the growth of telecom services. The Committee would like that the Department should examine carefully the COAI's apprehensions of the sub-optimal use of the frequency spectrum by FSPs under the preferential fixed service licence terms and all other issues that have been or may be raised so that the interest of the consumers can be protected by reasoned decision and in a transparent manner.

67. The CMSOs have claimed that if they are provided with identical level of Licence Entry Fee and Annual Revenue Share, equitable, cost-based and non-discriminatory inter-connection access charges for CMSPs in line with as provided to FSPs, direct inter circle connectivity and direct connectivity to VSNL international gateways as mandated by NTP-99, they would be able to provide GSM Mobile services at a much cheaper rate to the consumers. Here, it may be mentioned that the CMSOs have stressed the point that they are willing to face competition but are concerned with the comparability of the two services, their pricing and the "preferential treatment" meted out to the BSOs. The Committee is of the view that this aspect should also be duly considered by DoT and TRAI, specially as there is a scope of providing level playing field to all classes of operators.

68. In this context, the Committee observes that TRAI has recently recommended that revenue share as licence for the CMSOs may be prescribed at 12% of the Annual Revenue (previously it was 17%) which will be the same as prescribed for BSOs in Metros and category-A circles. It may seem that it provides CMSOs inadequate compensation for loss of market to "limited mobility" and consequential loss of revenue. In this respect, the Committee recommends that the concerns of CMSOs like equitable, cost-based and non-discriminatory inter-connection access charges etc., as mentioned above, should be considered and the decision taken with reasons may be forwarded to the Committee in due course.

69. Subject to the above, the Committee is of the view that if the extent of mobility under the two systems *i.e.* GSM and CDMA is not identical and as long as there is noticeable difference in the scope of the two services and that the imbalance apprehended in the level playing field by the BSOs introducing the new service can be corrected by making some necessary policy changes, provision of limited mobility through WLL may help faster roll out of the network, increase tele-density and greatly benefit the consumers provided the system, as envisaged, operators fairly in the interest of consumers.

NEW DELHI;  
7 March, 2001  
16 Phalguna, 1922 (Saka)

SOMNATH CHATTERJEE,  
Chairman,  
Standing Committee on  
Information Technology.

## ACRONYM

1. ABTO	—	Association of Basic Telecom Operators
2. BSNL	—	Bharat Sanchar Nigam Limited
3. BSO	—	Basic Service Operator
4. CDMA	—	Code Division Multiple Access
5. CMSP	—	Cellular Mobile Service Provider
6. CMTS	—	Cellular Mobile Telecom Service
7. COAI	—	Cellular Operators Association of India
8. CPP	—	Calling Party Pays
9. CRM	—	Customer Relationship Management
10. DEL	—	Direct Exchange Lines
11. DoT	—	Department of Telecommunications
12. FDI	—	Foreign Direct Investment
13. FSP	—	Fixed Service Provider
14. FWT	—	Fixed Wireless Terminal
15. GSM	—	Global System of Mobile
16. MCPS	—	Mobile Community Phone Services
17. MTNL	—	Mahanagar Telephone Nigam Limited
18. NLD	—	National Long Distance
19. NTP	—	New Telecom Policy
20. PoI	—	Point of Interconnection
21. SDCA	—	Short Distance Charging Area
22. TRAI	—	Telecom Regulatory Authority of India
23. VSNL	—	Videsh Sanchar Nigam Limited
24. WAP	—	Wireless Access Protocol
25. WLL	—	Wireless in Local Loop
26. USO	—	Universal Service Obligation

ANNEXURE I

MINUTES OF THE THIRD SITTING OF THE STANDING  
COMMITTEE ON INFORMATION TECHNOLOGY (2001)  
HELD ON 9 JANUARY, 2001

The Committee sat on Tuesday, the 9th January, 2001 from 1100 hours to 1315 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Pawan Kumar Bansal
3. Prof. Dukha Bhagat
4. Shri Tara Chand Bhagora
5. Shri Nikhil Kumar Chaudhary
6. Adv. Uttamrao Dhikale
7. Shri K.K. Kaliappan
8. Dr. C. Krishnan
9. Shri Bhartruhari Mahtab
10. Shri Simranjit Singh Mann
11. Shri Karia Munda
12. Shri Saroj Tufani
13. Rajkumari Ratna Singh
14. Shri Vinay Kumar Sorake
15. Shrimati D.M. Vijaya Kumari
16. Shri G. Ganga Reddy



*Rajya Sabha*

17. Shri Shatrughan Sinha
18. Shri Narendra Mohan
19. Dr. Y. Radhakrishna Murthy
20. Shri Munavvar Hasan
21. Shri Kartar Singh Duggal
22. Shri K. Rama Mohana Rao
23. Shrimati Kum Kum Rai
24. Shri Rajiv Shukla

## SECRETARIAT

1. Shri P.D.T. Achary — *Joint Secretary*
2. Shri S.K. Sharma — *Deputy Secretary*
3. Shri A.S. Chera — *Under Secretary*

**Non-official witnesses**

1. Shri Vidya Shankar Tiwari — Chief Editor, Rastriya Sahara
2. Shri Ajay Upadhyaya — Chief Editor, Hindustan

**Representatives of Department of Telecommunications (DoT)**

1. Shri Shyamal Ghosh, Chairman, Telecom Commission and Secretary, DoT.
2. Shri A. Prasad, Member (Finance)
3. Shri R.N. Goyal, Member (Production)
4. Shri N.R. Mokhariwale, Member (Services)
5. Dr. Vijay Kumar, Member (Technology)
6. Shri P.K. Mittal, DDG (BS)
7. Shri J.R. Gupta, DDG (VAS)

**Representatives of TRAI**

8. Shri M.S. Verma, Chairperson
9. Shri R.R.N. Prasad, Member
10. Shri Ravi Kant, Member
11. Dr. Harsha V. Singh, Acting Secretary
12. Shri R.K. Bhattnagar, Advisor (Fixed Network)
13. Mrs. Roopa Joshi, Advisor (Financial Analysis)

2.       \*\*\*               \*\*\*               \*\*\*               \*\*\*
3.       \*\*\*               \*\*\*               \*\*\*               \*\*\*
4.       \*\*\*               \*\*\*               \*\*\*               \*\*\*

5. Then the non-official witnesses withdrew and representatives of the DoT and the TRAI took their seat. The Committee welcomed the representatives of the Department of Telecommunications (DoT) and Telecom Regulatory Authority of India (TRAI) to the sitting of the Committee. The Chairman and Members of the Committee took strong exception to the manner in which a written reply on the Subject. "Limited Mobility through WLL for fixed Service Providers" was furnished to the Committee. The Secretary, DoT apologised unconditionally and assured that he would see to prevent recurrence of such incidents in future.

6. The Secretary, DoT and the Chairperson, TRAI, then, briefed the Committee and attended to the queries of the Members on the subject "Limited Mobility through WLL for Fixed Service Providers".

7. The Committee thanked the representatives of DoT and TRAI for appearing before the Committee and for providing valuable information that the Committee desired in connection with examination of the subject.

8. A verbatim record of each of the sittings has been kept separately.

*The Committee, then, adjourned to meet again at 1500 hours,  
the same day.*

ANNEXURE II

MINUTES OF THE FOURTH SITTING OF THE STANDING  
COMMITTEE ON INFORMATION TECHNOLOGY (2001)  
HELD ON 9 JANUARY, 2001

The Committee sat on Tuesday, the 9th January, 2001 from 1500 hours to 1715 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Pawan Kumar Bansal
3. Prof. Dukha Bhagat
4. Shri Tara Chand Bhagora
5. Shri Nikhil Kumar Chaudhary
6. Adv. Uttamrao Dhikale
7. Shri K.K. Kaliappan
8. Dr. C. Krishan
9. Shri Karia Munda
10. Rajkumari Ratna Singh
11. Shrimati D.M. Vijay Kumari

*Rajya Sabha*

12. Shri Shatrughan Sinha
13. Shri Narendra Mohan
14. Dr. Y. Radhakrishna Murthy
15. Shri Munavvar Hasan
16. Shri K. Rama Mohana Rao
17. Shrimati Kum Kum Rai

SECRETARIAT

1. Shri S.K. Sharma — *Deputy Secretary*
2. Shri A.S. Chera — *Under Secretary*

**Non-official Witnesses**

**Representatives of COAI**

1. Shri T.V. Ramachandran, Director General, COAI
2. Shri T.R. Dua, Director, Bharti Enterprises
3. Shri Umang Das, MD, Spice Communications
4. Shri R.C. Rastogi, Advisor, Birla AT&T
5. Shri Rajiv K. Gupta, Executive Director, Modicorp
6. Shri Satyan Nayar, General Manager (Operations), COAI
7. Ms. Anjali Hans, Manager, Communications and Policy, COAI

**Representatives of ABTO**

8. Shri Rajiv Mehrotra (President, ABTO), Shyam Telelink Ltd.
9. Shri Satish Kejriwal, Bharti Telenet Ltd.
10. Shri M. Nahata, HFCL Info Tel. Ltd.
11. Shri Sanjive Kanwar, HFCL Info Tel. Ltd.
12. Shri A. Shanker, Reliance Infocom Ltd.
13. Shri Ravi Padiyar, Reliance Infocom Ltd.
14. Shri Gajendra Upadhyay, Reliance Infocom Ltd.
15. Shri T. Narasimhan, Shyam Telelink Ltd.
16. Shri R. Sareen, Shyam Telelink Ltd.
17. Shri K.K. Trikha, Tata Teleservices Ltd.
18. Shri S.C. Khana, Secretary General, ABTO

2. At the outset, the Chairman welcomed the non-official witnesses to the sitting of the Committee.

3. Thereafter, the non-official witnesses made their submissions to the Committee and responded to the queries of the Members on the subject "Limited Mobility through WLL for Fixed Service Providers".

4. The Chairman thanked the non-official witnesses for appearing before the Committee and for providing valuable information that the Committee desired in connection with examination of the subject.

5. A verbatim record of each of the sitting has been kept separately.

*The Committee, then, adjourned.*

ANNEXURE III

MINUTES OF THE SIXTH SITTING OF THE STANDING  
COMMITTEE ON INFORMATION TECHNOLOGY (2001)  
HELD ON 24 JANUARY, 2001

The Committee sat on Wednesday, the 24th January, 2001 from 1500 hours to 1720 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

*Lok Sabha*

1. Shri Pawan Kumar Bansal
2. Prof. Dukha Bhagat
3. Shri Tara Chand Bhagora
4. Shri Nikhil Kumar Chaudhary
5. Shri T. Govindan
6. Adv. Uttamrao Dhikale
7. Shri K.K. Kaliappan
8. Shri Bhartruhari Mahtab
9. Shri G. Ram Mohan
10. Shri Sheeshram Singh Ravi
11. Shri K.A. Sangtam
12. Rajkumari Ratna Singh
13. Shri Vinay Kumar Sorake
14. Shrimati D.M. Vijaya Kumari

*Rajya Sabha*

15. Dr. M.N. Das
16. Shri Balkavi Bairagi
17. Shri Shatrughan Sinha
18. Shri Narendra Mohan
19. Dr. Y. Radhakrishna Murthy
20. Shri Munavvar Hasan
21. Shri R.N. Arya
22. Shri K. Rama Mohana Rao
23. Shri Rajiv Shukla

SECRETARIAT

1. Shri P.D.T. Achary — *Joint Secretary*
2. Shri S.K. Sharma — *Deputy Secretary*
3. Shri A.S. Chera — *Under Secretary*

**Non-official witness**

Shri Arun Poorie — Editor-in-Chief, India Today

**Representatives of COAI**

1. Shri T.V. Ramachandran, Director General, COAI
2. Shri Umang Das, Managing Director, Spice Communications
3. Shri T.R. Dua, Director, Bharti Enterprises
4. Shri Rajiv Gupta, Director, Modicom
5. Shri Satyan Nayar, General Manager, COAI
6. Mr. R.K. Sikka, General Manager, Modicom
7. Ms. Anjali Hans, Manager, Communications and Policy, COAI

- 2.       \*\*\*               \*\*\*               \*\*\*               \*\*\*
- 3.       \*\*\*               \*\*\*               \*\*\*               \*\*\*
- 4.       \*\*\*               \*\*\*               \*\*\*               \*\*\*

*The witness, then, withdrew.*

5. The Chairman, then, welcomed the representatives of Cellular Operators Association of India (COAI) to the sitting of Committee.

6. Thereafter, the representatives of Cellular Operators Association of India (COAI) briefed the Committee and responded to the queries of the Members on the subject "Limited Mobility through WLL for Fixed Service Providers".

7. The Chairman, then, thanked the representatives of Cellular Operators Association of India (COAI) for appearing before the Committee and for providing valuable information that the Committee desired in connection with examination of the subject.

*The witness, then, withdrew.*

8. A verbatim record of the sitting has been kept.

*The Committee, then, adjourned.*



ANNEXURE IV

MINUTES OF THE EIGHTH SITTING OF THE STANDING  
COMMITTEE ON INFORMATION TECHNOLOGY (2001)  
HELD ON 8 FEBRUARY, 2001

The Committee sat on Thursday, the 8th February, 2001 from 1030 hours to 1300 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Pawan Kumar Bansal
3. Shri Tara Chand Bhagora
4. Shri Nikhil Kumar Chaudhary
5. Shri K.K. Kaliappan
6. Dr. C. Krishnan
7. Shri Bhartruhari Mahtab
8. Shri Karia Munda
9. Shri Sheeshram Singh Ravi
10. Shri K.A. Sangtam
11. Rajkumari Ratna Singh

*Rajya Sabha*

12. Shri Shatrughan Sinha
13. Shri Narendra Mohan
14. Dr. Y. Radhakrishna Murthy
15. Shri Kartar Singh Duggal
16. Shri R.N. Arya
17. Shri K. Rama Mohana Rao
18. Smt. Kum Kum Rai

SECRETARIAT

1. Shri P.D.T. Achary — *Joint Secretary*
2. Shri S.K. Sharma — *Deputy Secretary*
3. Shri A.S. Chera — *Under Secretary*

**Representatives of Department of Telecommunications (DoT)**

1. Shri Shyamal Ghosh, Chairman, Telecom Commission and Secretary, DoT.
2. Shri J. Ramanujam, Member (S)
3. Dr. Vijay Kumar, Member (Technology)
4. Shri R.N. Goyal, Member (Production)
5. Shri R. Ramanathan, Member (Finance)
6. Shri Dhanendra Kumar, A.S. (T),
7. Shri Anil Kumar, J.S. (T),

**Representatives of Telecom Regulatory Authority of India (TRAI)**

8. Shri M.S. Verma, Chairman
9. Shri Ravikant, Member
10. Shri R.R.N. Prasad, Member
11. Dr. H.V. Singh, Secretary
12. Shri R.K. Bhatnagar, Advisor
13. Mrs. Roopa Joshi, Advisor

2. At the outset, the Committee observed two minutes silence as a mark of respect for the victims of Gujarat earthquake.

3. Thereafter, the Chairman welcomed the representatives of the Department of Telecommunications (DoT) and Telecom Regulatory of Authority of India (TRAI) to the sitting of the Committee. The representatives of DoT and TRAI attended to the queries of the Members on the subject "Limited Mobility through WLL for FSPs".

4. A verbatim record of the sitting has been kept.

*The Committee, then, adjourned.*

ANNEXURE V

MINUTES OF THE TENTH SITTING OF THE STANDING  
COMMITTEE ON INFORMATION TECHNOLOGY (2001)  
HELD ON 1 MARCH, 2001

The Committee sat on Thursday, March 1, 2001 from 1500 hours to 1620 hours in Committee Room No. 139, Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Mahendra Baitha
3. Shri Pawan Kumar Bansal
4. Shri Nikhil Kumar Chaudhary
5. Adv. Uttamrao Dhikale
6. Shri Bhartruhari Mahtab
7. Shri Sheeshram Singh Ravi
8. Shri Chandra Vijay Singh
9. Shrimati D.M. Vijaya Kumari

*Rajya Sabha*

10. Shri Balkavi Bairagi
11. Shri Narendra Mohan
12. Shri R.N. Arya
13. Shri K. Rama Mohana Rao
14. Shrimati Kum Kum Rai
15. Shri Rajiv Shukla

SECRETARIAT

1. Shri S.K. Sharma — *Deputy Secretary*
2. Shri A.S. Chera — *Under Secretary*

2. The Committee took up for consideration the Draft Seventeenth Report (Thirteenth Lok Sabha) on "Limited Mobility through WLL for Fixed Service Providers" relating to the Ministry of Communications (Department of Telecommunications) and adopted the same with some amendments/modifications as shown in the Appendix.

3. The Committee, then, authorized the Chairman to finalise and present the Report to the House in light of the factual verification received from the Department.

*The Committee, then, adjourned.*

## APPENDIX

### AMENDMENTS MADE BY THE COMMITTEE IN THE DRAFT SEVENTEENTH REPORT

Page No.	Para No.	Line No.	Amendments Made
23	62	18	For: "Succeeding" Read: "Preceding"
24	62	1	After: "consumers" Add: "including those in rural and inaccessible areas"
24	63	9-10	Delete: "The Committee... though"
25	63		Add at the end: "and faster expansion of the telecom network at affordable tariff".
25	64	9-10	Delete: "The Committee..... operators"
26	65	last	For: "such" Read: "any"
27	66	2	Delete: "before taking any decision in the matter"
27	67		Delete: Paragrapher No: 67
28-29			Renumber: Paragraphs "68, 69, 70" as "67, 68 and 69" respectively.