

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

UNSTARRED QUESTION NO:176
ANSWERED ON:20.11.2000
CHARGES OF LONG DISTANCE AND STD SERVICES
UMMAREDDY VENKATESWARLU

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether Indian Long Distance Telecom Services cost about 13 times the world average rates;
- (b) if so, the details of the charges of STD and long distance services in the country as compared to other countries;
- (c) the reasons for the extremely high charges for long distance and STD services in the country; and
- (d) the steps proposed to be taken by the Government to reduce the said charges?

Answer

THE MINISTER OF STATE IN THE MINISTRY COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) to (c): Straight comparison of so called world average long distance rate with the Indian long distance rate is not possible because of the presence of many variables in the computation of both elements, such as varying exchange rates, significant variation in purchasing power, usage patterns, packaging of tariff by telecom operators etc. The general global trend is that in developed countries which have higher tele-density, the quantum of subsidisation of local tariff is less as compared to that in a developing country where infrastructure development and tele-density have yet to attain respectable levels.

(d) Historically, long distance tariff has subsidised access charges i.e. rental and local call charges. The Telecommunication Tariff order (TTO), 1999 issued by Telecom Regulatory Authority of India in March, 1999 initiated a process of tariff re-balancing that was scheduled to be completed in three phases. The first phase of tariff re-balancing effective from 1st May, 1999 reduced long distance tariffs, on average, by about 23%. The second round of tariff re-balancing effective from 01.10.2000 has reduced the long distance tariff by about another 13%.