

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

STARRED QUESTION NO:412
ANSWERED ON:18.12.2000
ISSUE OF LICENCE OF NATIONAL LONG DISTANCE SERVICES TO VSNL
IQBAL AHMED SARADGI

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Union Government propose to grant licence to Videsh Sanchar Nigam Limited to operate national long distance services as a compensation package;
- (b) if so, the details alongwith the objective and the purpose thereof; and
- (c) the extent to which this package is likely to be helpful in achieving the target of national long distance services?

Answer

THE MINISTER OF COMMUNICATIONS (SHRI RAM VILAS PASWAN)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT IN RESPECT OF PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 412 FOR 18TH DECEMBER REGARDING ISSUE OF LICENCE OF NATIONAL LONG DISTANCE SERVICES TO VSNL.

Government has decided to prepone the termination of the VSNL monopoly in International Telephony Services from April 1, 2004 to April 1, 2002 and in lieu, Government has approved a compensation package for VSNL as detailed below:-

(i) Licence to run National Long Distance Services (NLD) with following package:-

- (a) Government would pay to VSNL a sum equal to the amount paid by VSNL as entry fee and licence fee for a period of 5 years commencing from 1st April, 2001 net of taxes.
- (b) Performance Bank Guarantee of Rs. 400 crores for the prescribed roll out will be waived.

(ii) VSNL will be granted Category `A` ISP Licence which will enable it to provide internet access all over the country.

2. Govt. could also consider additional compensation if found to be necessary.

3. The National Long Distance Services have been opened up for participation by both private and public sectors. This will result in enhancing the National Long distance Services network, bringing in competition and providing better services to the subscribers. VSNL will be one of the Service Providers in this sector.