

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

UNSTARRED QUESTION NO:4135
ANSWERED ON:21.12.2005
GROWTH OF TELEPHONY
Ganesan Shri L.

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

- (a) whether the clash of interest between GSM and CDMA operators in telephony has severely affected the growth of telephony even after liberalisation as reported in the Hindu dated November 15, 2005;
- (b) if so, the reaction of the Government thereto;
- (c) whether the Union Finance Ministry has also expressed its view in this regard;
- (d) the steps taken or proposed to be taken by the government to overcome the bottlenecks in this regard;
- (e) whether the government proposes to bring down the licence fee from Rs. 250 crores to Rs. 100 crores.
- (f) if so, the manner in which the Government plans to replenish this reduced revenue; and
- (g) if not, the measures taken by the Government to extend the benefit of IT to the rural people in the country?

Answer

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

- (a) No, Sir.
- (b) Does not arise in view of (a) above.
- (c) Ministry of Finance has issued a draft strategy paper on Telecom Sector on some issues including spectrum.
- (d) Wireless technologies are deployed by various service providers for rapid expansion of telecommunication services. Efficient and optimal utilization of radio spectrum is a paramount requirement for unimpeded growth of telecom sector. Internationally harmonized frequency bands are exploited to a large extent, for GSM, CDMA and various other technologies. The spectrum is allotted to GSM and CDMA operators in accordance with the relevant provision of their Service Licence Agreements.
- (e) No, Sir. The licence fee is charged as a percentage share of Adjusted Gross Revenue (AGR).
- (f) Does not arise in view of (e) above.
- (g) Universal Service Obligation (USO) fund has been established with effect from 1st April 2002 for expansion of telegraph services in rural areas.