

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

UNSTARRED QUESTION NO:220

ANSWERED ON:26.07.2010

LICENCES TO TELECOM COMPANIES

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

- (a) whether the telecom companies which were awarded mobile licences and spectrum during the years 2006-2008 have not met roll out obligations so far;
- (b) if so, the details of such companies and the reasons therefor;
- (c) whether the Government has taken any action against those companies which holding spectrum unutilized;and
- (d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a) to (d) Madam, an amendment in the Cellular Mobile Telephone Service (CTMS)/ Unified Access Service (UAS) license conditions were issued on 10th February 2009 which inter-alia stipulated that:

Roll-out obligations shall apply for wireless network only and not for wireline network.

The Licensee shall ensure that metro service area of Delhi, Mumbai, Kolkata and Chennai are covered within one year of date of allocation of start up spectrum.

In non-metro service areas, the licensee shall ensure that in first phase of roll out obligation at least 10% of DHQs where startup spectrum has been allocated are covered within one year of such spectrum. The date of allocation of frequency shall be considered for computing a final date of roll-out obligation.

Further, in second phase of roll out obligation, the licensee shall ensure that at least 50% of DHQs, where start up spectrum has been allocated are covered within three years of date of allocation of such spectrum in non-metro service areas.

While computing the period of one year under sub-paras above the average delay in SACFA clearance shall be excluded.

Coverage of a DHQ/town shall mean that at least 90% of the area bounded by the Municipal limits shall get the required street level coverage.

The date of application for SACFA or date of allocation of frequency, whichever is later, shall be taken into account for the propose of calculating average delay in SACFA clearance.

The Licensee is permitted to cover any other town in the District in lieu of the District Headquarters.

In-building coverage shall not be considered for roll-out obligations as mentioned in sub-paras above and for imposition of liquidated damages.

For calculation of number of DHQs to be covered, the fraction which comes to 0.5 or above shall be rounded off to the next whole number and if the fraction is less than 0.5 it shall be ignored.

Date of registration by TEC/TERM is to be treated as date of meeting the roll-out obligation in case of coverage criterion is met for roll-out obligation on testing.

PBG shall be encashed to the extent of the Liquidated Damages.

The licence conditions also inter-alia stipulate that:

The time period for provision of the Service stipulated in this Licence shall be deemed as the essence of the contract and the service must be brought into commission not later than such specified time period. No extension in prescribed due date will be granted. If the Service is brought into commission after the expiry of the due date of commissioning, without prior written concurrence

of the licensor and is accepted, such commissioning will entail recovery of Liquidated Damages (LD) under this Condition. Provided further that if the commissioning of service is effected within 15 calendar days of the expiry of the due commissioning date then the Licensor shall accept the services without levy of LD charges.

In case the LICENSEE fails to bring the Service or any part thereof into commission (i.e., fails to deliver the service or to meet the required coverage criteria/ network roll out obligations) within the period prescribed for the commissioning, the licensor shall be entitled to recover LD charges @ Rs. 5 lakh (Rupees: Five Lakhs) per week for first 13 weeks; @ Rs. 10 lakhs for the next 13 weeks and thereafter @ Rs. 20 lakhs for 26 weeks subject to a maximum of Rs. 7.00 crores.

The information from the Unified Access Service (UAS) licensees to whom licences were granted during the year 2006 to 2008 have been asked for to examine the roll out status as per amended license conditions.

The data received from the UAS licensees have to be verified from the wireless planning & coordination (WPC) wing and TERM cells. Based on the verified data of allocation of spectrum for start of services, average delays in granting the Standing Advisory Committee for Frequency Allocation (SACFA) clearance and date of registration with Telecom Enforcement Resource & Monitoring (TERM) Cells and the service test certificate issued by TERM Cell the amount of LD for delays in roll out shall be worked out.

Since amended Roll out license conditions have financial implications the matter has been referred to Ministry of Finance and their response is awaited. The imposition of LD for licences granted during 2006 to 2008 would be carried out after receipt of input from Ministry of Finance on amendment in roll out conditions.