

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

STARRED QUESTION NO:177
ANSWERED ON:22.11.2010
REDUCTION IN CALL RATES
Singh Shri Jitender

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

- (a) the existing guidelines/framework for determination of cell phone tariff by the service providers in the country;
- (b) whether the rates presently offered by the public sector telephone companies are competitive in relation to the rates provided by those in the private sector;
- (c) whether the public sector companies propose to slash call rates including for the mobile phones in the country in the near future; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF HUMAN RESOURCES DEVELOPMENT, SCIENCE AND TECHNOLOGY AND EARTH SCIENCES AND COMMUNICATIONS AND INFORMATION TECHNOLOGY(SHRI KAPIL SIBAL)

(a) to (d) A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 177 FOR 22nd NOVEMBER, 2010 REGARDING "REDUCTION IN CALL RATES".

(a) Regulation of Tariff has been mandated to Telecom Regulatory Authority of India (TRAI) vide the TRAI Act of 1997. As per the current tariff framework in vogue, cell phone tariff is under forbearance except for Roaming which is presently regulated. The tariff framework prescribed by TRAI gives flexibility to the operators to offer different tariff depending on the market condition and other commercial considerations.

(b) Telecommunication Access Services are offered as a bouquet of services like Local, National Long Distance (NLD), International Long Distance (ILD), Short Message Service (SMS), Roaming and lot of other Value Added services. The service providers including public sector telephone companies offer tariff plans with different combinations of rent, call charges, free calls, processing fee/talk time etc. Given the competition among service providers, tariff for telecommunication services vary across service providers and across service areas. However, the introduction of competition in the telecom sector, cost oriented interconnection usage charge regime, and the flexibility given to service providers in the matter of offering tariff packages in the market, have led to substantial reduction in the tariff of telecom services in the country.

(c) & (d) Tariff revision is a continuous process in both Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL). Introduction of new tariff offers and changes in existing offers is done by both BSNL and MTNL at regular intervals keeping in view the need of customers, prevailing market conditions and TRAI guidelines.