

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

STARRED QUESTION NO:478

ANSWERED ON:13.12.2010

CANCELLATION OF G LICENCES

Bundela Shri Jeetendra Singh;Sharma Shri Jagdish

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

- (a) the details of the telecom companies which were issued 2G spectrum in 2008 and are yet to roll out their operation/ services;
- (b) whether the Telecom Regulatory Authority of India (TRAI) has urged the Government to cancel the licences of the erring companies for non-compliance of their obligations;
- (c) if so, the details thereof;
- (d) the loss suffered by the Government on this account; and
- (e) the corrective action taken by the Government in this regard?

Answer

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

(a) to (e) 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 (e) OF THE LOK SABHA STARRED QUESTION NO. 478 FOR 13TH DECEMBER, 2010 REGARDING "CANCELLATION OF 2G LICENCES".

(a) Madam, as per Unified Access Service (UAS) License condition, the date of registration by Telecom Engineering Centre (TEC)/ Telecom Enforcement, Resource and Monitoring (TERM) cells of Department of Telecom (DoT) for rollout coverage testing is treated as date of meeting the roll out obligation if the prescribed coverage criteria is met on testing. All the UAS licensees who got startup spectrum in 2008 have offered/ registered with TERM cells of DoT for meeting the 1st year roll out obligation testing except following UAS licensees who have not yet offered their network to TERM cells for rollout coverage testing.

Sl.No. Name of Licensee Company Name of Service Area

1 Etisalat DB Telecom Pvt. Ltd. Mumbai

2 S Tel Pvt. Ltd. Jammu and Kashmir

3 Videocon Telecommunications Ltd. Jammu and Kashmir

4 Videocon Telecommunications Ltd. North East

5 Spice Communications Ltd. Andhra Pradesh

6 Spice Communications Ltd. Haryana

7 Spice Communications Ltd. Maharashtra

8 Idea Cellular Ltd. Karnataka

9 Idea Cellular Ltd. Punjab

As per information received from the companies mentioned at serial number 5 to 9, Spice Communications Ltd. holding the UAS licenses has amalgamated with M/s. Idea Cellular Ltd. as per the orders of the Hon'ble High court(s).

(b) & (c). TRAI vide letter No. 102-6/2009-MN (Vol.II) 126 dated 18th November 2010 has recommended for cancellation of 38 Unified Access Service (UAS) Licenses as per following details:

Sl.No. Name of Licensee Company Number of UAS licences

1 Aircel Ltd. 1

2 Dishnet Wireless Ltd. 3

3 Etisalat DB Telecom Pvt. Ltd. 2

4 Loop Telecom Ltd. 14

5 Sistema Shyam Teleservices Ltd. 10

6 Unitech Wireless (East) Pvt. Ltd. 2

7 Unitech Wireless (North) Pvt. Ltd. 5

8 Unitech Wireless (West) Pvt. Ltd. 1

Further TRAI has also recommended for cancellation of 31 UAS licenses after legal examination vide above mentioned letter as per

following details:

Sl.No. Name of Licensee Company Number of UAS licences

1 Aircel Ltd. 1

2 Allianz Infratech (P) Ltd. 2

3 Etisalat DB Telecom Pvt. Ltd. 11

4 Loop Telecom Ltd. 6

5 Sistema Shyam Teleservices Ltd. 1

6 Videocon Telecommunications Ltd. 10

(d) & (e) As a matter of deterrence and to cover the losses, if any, to the Government due to delay in rollout, provision of Liquidated Damages (LD) exists in the UAS license agreement which says that 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.