

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

UNSTARRED QUESTION NO:1803

ANSWERED ON:10.08.2011

AGREEMENT UNDER USOF

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

- (a) whether a number of telecom operators have backed out from fulfilling their contractual agreement in launching their services in rural areas under Universal Service Obligation Funds (USOF)
- (b) if so, the details thereof and the reasons therefor;
- (c) whether such negligence on the part of telecom operators has caused losses to the Government and also adversely affected rural telephone connectivity;
- (d) if so, the details thereof; and
- (e) the action taken by the Government against the defaulters?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

(a) & (b) M/s Reliance Communications Limited (RCL), M/s Reliance Telecom Limited (RTL) and M/s Bharti Airtel Limited (BAL) have requested for partial exit from the USOF agreement for shared Mobile Infrastructure Scheme i.e. exit from 4537 (out of the total of 4774), 751 (out of the total of 3641) and 81 (out of the total of 1174) sites respectively. These companies have mentioned commercial unviability as the reason for seeking exit. However, government has not accepted their requests.

(c) & (d) As per the provisions of the USOF agreement, each tower infrastructure site is to be shared by three different Universal Service Providers (USPs) for provisioning of mobile services. Therefore, despite the non- provisioning of mobile services by one or two USPs, the mobile connectivity to concerned rural area is made available by the remaining USP(s). Moreover, mobile services are being provided in rural areas by other Service Providers from non-USOF supported sites also.

(e) Government has not accepted the request of exit seeking companies as there is no exit provision in the USOF agreement. Apart from this, government has also constituted in High Level committee to consider all aspects with regard to delay in rollout of mobile service under the USOF scheme and suggest appropriate action that may be required to be taken in the facts and circumstances of the case.