

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

UNSTARRED QUESTION NO:2686

ANSWERED ON:17.08.2011

INCREASE IN CALL RATES

Barq Shri Shafiqur Rahman;Mahendrasinh Shri Chauhan ;Singh Shri Rakesh

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

- (a) the details of revenue received by the Government separately as spectrum fee and licence fee from the telecom operators as on date;
- (b) whether the Government proposes to delink fee for telecom licences from spectrum;
- (c) if so, the details thereof alongwith its likely impacts on mobile tariff;
- (d) whether some telecom operators have hiked the mobile tariff recently;
- (e) if so, the details thereof and the reasons therefor; and
- (f) the action taken by the Government to check the mobile tariff?

Answer

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

(a) The details of revenue received by the Government as spectrum fee and licence fee from the telecom operators up to June 2011 are given below-
(Amount in Thousands of Rupees)

Spectrum charges 1277754707

Licence Fee 880953830

Total 2158708537

These figures include entry fee in respect of 2G, 3G and BWA.

(b) Telecom Regulatory Authority of India (TRAI), in its recommendations dated 11.05.2010 on "Spectrum Management and Licensing Framework", has, inter-alia, recommended that in so far as future licensing is concerned, spectrum should be delinked from Unified Access Service (UAS) licence. TRAI has also recommended that all future licences should be unified licences and that spectrum be delinked from the licence. These recommendations of TRAI are under consideration of the Government.

(c) It is difficult to predict the likely impact of such policy changes on mobile tariff, as these are a result of multiple factors, including market conditions and competition.

(d) Recently, several mobile operators have increased tariffs applicable for certain plans and packs offered by them.

(e) The hike effected by the telecom operators is not across the board, but for certain plans/schemes and for certain categories of calls. The major change is in respect of on-network Local and STD charges which have been restructured to be at par with off-net call charges. The service providers have attributed this change to increase in the cost of providing service, decline in profitability, to improve the quality of service despite spectrum constraints and to bring in uniformity in the on-net charges vis-à-vis off-net usage charges.

(f) Mobile operators have been revising the tariff both upward and downward, in accordance with the market dynamics. However, as a whole, the tariff for telecom services has been showing consistently downward trend for several years. TRAI has issued regulatory prescriptions as per which the existing subscribers are protected from any hike in tariff for a certain specified period. Operators have assured TRAI that tariff for the existing subscribers will be protected against hike in accordance with the regulatory mandates.

