

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

UNSTARRED QUESTION NO:2801
ANSWERED ON:29.08.2012
ROLLING OUT TELECOM SERVICES
Swamygowda Shri N Cheluvaraya Swamy

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

- (a) whether some private telecom service providers including Vodafone have failed to fulfil the mandatory rollout obligation for providing telecom services in certain service areas;
- (b) if so, the details thereof and the reasons therefor;
- (c) the action taken by the Government in this regard;
- (d) whether there is a difference of opinion between the Department of Telecommunications (DoT) and the Telecom Regulatory Authority of India (TRAI) over the issue of cancelling licences on account of failure of telecom operators to discharge fixed responsibilities;
- (e) if so, the details thereof and the reasons for differences; and
- (f) the number of licences recommended for cancellation by TRAI and the Department, respectively, operator-wise?

Answer

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

(a) to (f) Madam, Telecom Regulatory Authority of India (TRAI) examined the compliance of 1st phase of rollout obligations of 145 licences of 'private telecom service providers' (TSPs) to whom Unified Access Services (UAS) licenses were issued from the year 2006 to year 2008 and sent its recommendations to Department of Telecom (DoT). On examination of the recommendations of the TRAI alongwith the data available with the DoT, it was found that, out of above referred TSPs, many of them had fulfilled their 1st phase of rollout obligations with certain delays. However following TSPs have failed to register with the Telecom Enforcement Resources & Monitoring (TERM) cells for rollout coverage testing, to ensure the fulfillment of the mandatory rollout obligations as per license conditions, even with the delay.

Sl. No.	Name of Licensee	Company Name	of Service Area
1	S Tel Pvt. Ltd.		Jammu and Kashmir
2	Spice Communications Ltd.		Andhra Pradesh
	Spice Communications Ltd.		Haryana
4	Spice Communications Ltd.		Maharashtra
5	Idea Cellular Ltd.		Karnataka
6	Idea Cellular Ltd.		Punjab

For delay in compliance of the 1st phase of rollout obligations, the Liquidated Damages (LD) was imposed in accordance with the Licence conditions on Licensees which include the above mentioned 6 licensees also.

TRAI vide its letter dated 14th July 2011, after reconsideration, has recommended for cancellation of 53 licences. TRAI has also recommended to seek legal opinion once again on the issue of cancellation of another 30 Unified Access Services (UAS) licences. Operator wise details of number of licences recommended for cancellation by TRAI are attached in the annexure. These recommendations of TRAI are under process for decision in consultation with Ministry of Law and Justice. Accordingly the details about number of licences accepted by the Department for issuing the show cause notices for cancellation of licenses and reasons for differences, if any, would be known after the process reaches its finality.

Till now 35 Show Cause Notices for termination of the licenses have been issued by the department which includes the North East service area license of Vodafone where the delay in registration with the TERM cells for rollout coverage testing was more than 52 weeks from the due date of compliance of 1st phase of rollout obligations.

Above mentioned 6 licensees alongwith 'many others, to whom the demand notices for imposition of LD were issued, had impugned the LD demand notices in the petitions filed before Telecom Dispute Settlement & Appellate Tribunal (TDSAT). In respect of the 5

licensees mentioned at Sr. No. 2 to 6 above, TDSAT in its final judgement dated 5.12.2011 has inter-alia pronounced that LD imposition order of the DoT are set aside. However, DoT will be free to proceed with its proceeding after complying with the principle of Natural Justice keeping in view the observations made by TDSAT in its judgement. In respect of another licensee mentioned at Sr. No. 1 above, TDSAT in its final judgement dated 13.1.2012 has inter-alia pronounced that petition of S.Tel Private Ltd. in respect of Jammu and Kashmir is allowed and the demand of liquidated damages is set aside. The DoT has decided to file an appeal against both the above referred Judgments of the TDSAT before the Hon'ble Supreme Court of India.

Note: # As per information received from the companies, M/s. Spice Communications Limited has amalgamated with M/s. Idea Cellular Ltd. as per the orders of the Hon'ble High court(s). However, the licenses are yet to be transferred/ merged in the name of Transferee Company.