

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

UNSTARRED QUESTION NO:2641

ANSWERED ON:13.03.2013

ROLLING OUT SERVICES IN RURAL AREAS

Bajirao Shri Patil Padamsinha ;Rathwa Shri Ramsinhbhai Patalbhai

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

- (a) the total number of private operators in Indian telecom sector under various categories and the details of their respective entry years; circle-wise;
- (b) the percentage of market share of these private operators in comparison to BSNL and MTNL separately in urban and rural segments;
- (c) the number of operators both public and private who have fulfilled the obligation to roll out services in rural areas, operator-wise and the number of villages covered by them, operator and State-wise;
- (d) the action taken by the Government against those telecom operators who have not started services in the rural areas, operator and State-wise;
- (e) the expenditure incurred by BSNL and MTNL on advertisement during the last three years and the current year, State-wise and the results achieved thereof; and
- (f) the role played or likely to be played by the workers in the BSNL and MTNL management to improve market share and profitability?

Answer

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

(a) There were a total of 39 CMTS (Cellular Mobile Telephone Service) and 240 UAS (Unified Access Service) Licences before the Supreme Court's cancellation of licences vide its order in WP(c) No. 423/2010 dated 02.02.2012. The quashed licences were allowed to continue their operations by Supreme Court from time to time. Vide order dated 15.02.2013, Supreme Court has allowed licences in respect of which spectrum has been won in auction, to continue to operate and remaining licences to discontinue operation forthwith. Certified copy of the order of the Supreme Court dated 11.03.2013 is awaited. This will have an implication on the number of licences operational for the present.

(b) The market share of wireless private operators and public operators as on 31st December 2012, in rural and urban segments are given below:

Service Providers	Urban Base (in millions)	Urban Subscribers Base	Urban Share Base	Market Rural Subscribers (in millions)	Market Rural Share	Market Total Subscribers	Market Share
BSNL	65.37	12.26%	34.55	10.42%	99.92	11.56%	
MTNL	5.3	0.99%	0	0%	5.3	0.61%	
Private	462.45	86.74%	297.05	89.58%	759.5	87.83%	
Total	533.12	331.60	864.72				

The market share of wireline private operators and public operators as on 31st December 2012, in rural and urban segments are given below:

Service Providers	Urban Base (in millions)	Urban Subscribers Base	Urban Share Base	Market Rural Subscribers (in millions)	Market Rural Share	Market Total Subscribers	Market Share
BSNL	14.15	59.36%	6.89	99.18%	21.04	68.34%	
MTNL	3.46	14.50%	0	0.00%	3.46	11.22%	
Private	6.23	26.15%	0.06	0.82%	6.29	20.43%	
Total	23.84	6.95	30.79				

The market share of ISPs private operators and public operators as on 31st December 2012, in rural and urban segments are given below:

Internet Subscribers Market Share
(in million)

BSNL & MTNL (PSU)	15.04	59.37%
Other PSUs #	0.004	0.01%
Private	10.29	40.62%
Total	25.33	

ERNET India, Guj Info Petro Ltd (GPIL), Power Grid Corporation of India, Railtel Corporation of India Ltd., Software Technology Parks of India, West Bengal Electronics Industry Development Co. and Kerala State Electronics Dev. Corp. Ltd.

(c)&(d) The Cellular Mobile Telephone Service (CMTS)/ Unified Access Service (UAS) License condition mandate DHQ (District Headquarter) based roll out obligations. The terms and conditions of the license inter-alia provide that:

- (i) The choice of DHQs/towns to be covered and further expansion beyond 50% of DHQs/towns shall lie with the operator.
- (ii) There is no requirement of mandatory coverage of rural areas.

There are separate conditions for roll out in the auction of the 3G/BWA Spectrum. After auction of 3G/BWA spectrum, the CMTS/ UAS Licenses of the respective successful bidders has been amended. As per amendment in the UAS /CMTS Licences issued to successful bidders in the 3G / BWA spectrum auction, Roll out obligations inter-alia provided that:

- (i) For 3G Spectrum for category A, B & C service areas Licence(s): The Licensee to whom the spectrum is assigned shall ensure that at least 50% of the DHQ in the service area will be covered using the 3G Spectrum, out of which at least 15% of the DHQs should be rural Short Distance Charging Areas (SDCA), within five years of the Effective date. Rural SDCA is defined as an area where 50% of the population lives in the rural areas.
- (ii) For BWA Spectrum service area(s) for category A, B, & C service areas Licence(s). The Licensee to whom the spectrum is assigned shall ensure that at least 50% of the rural short distance charging area (SDCA) are covered within five years of the Effective Date using the BWA Spectrum. Coverage of a rural SDCA would mean that at least 90% of the area bounded by the municipal/local body limits should get the required street level coverage.

The Effective Date shall be the date when the right to use awarded spectrum commercially commences i.e. the date of issue of the amendment letter to respective 3G/BWA successful bidder.

Since the period of five years is yet to elapse, there is no ground for action by Government at this stage.

(e) The expenditure incurred by BSNL on advertisement during the last three years is enclosed in Annexure.

The details in respect of MTNL on advertisements and promotion of the products/services are given below:

Financial Year Delhi Mumbai
(in crore) (in crore)

2009-2010	12.82	21.49
2010-2011	8.26	18.94
2011-2012	11.46	6.06

(f): The steps taken by BSNL (Bharat Sanchar Nigam Limited) are given as below:

With a view to improve the quality of service and ensure customer satisfaction, some of the unions and associations observed the month of May 2011 as the Customer Delight Month and later on the whole financial year 2011-12 was declared as the Year of Customer Delight in BSNL. Subsequently, the unions and associations extended the Customer Delight Year for one more year.

The steps taken by MTNL (Mahanagar Telephone Nigam Limited) are given as below:

Workers are being emphasized to improve services and provide better customer care. Technological upgradation of equipment is being done by them time to time as per induction of new technologies and services for improving customer satisfaction.

These steps being taken by BSNL & MTNL includes:

Workers are guided to offer new technical features, speed, efficient service, proper customer care, billing etc that will lead to

positive word of Mouth communication, which in future may precipitate to increased market share and profitability.

Workers are being inspired to work towards increasing MTNL's operational revenue and decrease administrative and operative expenditure.

The workers are being made to market MTNL products by each one of them by bringing two connections every month and also introducing at least one sale agent every six months. With this goal, activities like Ek Nayi Pehal in which the participating employees are being felicitated with certificates based on their performance are being encouraged.

The workers are advised to wear a "Happy Face" in their day to day actions.