

### Disinvestment of Indian Telephone Industries

1376. SHRI K.M. SAIFULLAH:  
SHRI SANJAY DALMIA:  
SHRI YERRA  
NARAYANAS WAMY:  
DR. MOHAN BABU:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether Government have considered a
- (b) if so, the details thereof; and
- (c) the reaction of Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI KABINDRA PURKAYASTHA): (a) and (b) The recommendations of the Disinvestment Commission in respect of ITI limited are being examined by the Government. A decision will be taken in due course taking all relevant aspects into account.

- (c) Does not arise.

### Privatisation or Internet Services

1377. SHRI K. RAHMAN KHAN: Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether Government has finalised the policy regarding privatisation of internet services;

(b) if so, how many ISP (internet service providers) have applied for li-State-wise:

cence, State-wise;

(c) how many licence have been issued so far and names of such ISP, State-wise;

(d) the different kinds of ISP licences and the fees fixed for such licences; and

(e) whether separate licences will be issued for ISP for educational institutions at a concessional rate, if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI KABINDRA PURKAYASTHA): (a) Yes Sir.

(b) Ten companies have so far applied for 13 ISP licences. The details in this regard are indicated in the Statement-I (*see below*)

(c) No licences have been issued so far.

(d) It is proposed to define the service area of an ISP in one of the three categories as indicated at Annexure "B" The details of licence fee and performance Bank Guarantees for the 3 categories are also indicated in the State-ment-IL (*see below*)

(e) Educational institutions need not be an Internet Service Provider (ISP) for which any Indian registered company is eligible. They can access the Internet using the Point of Presence (POP) facilities of an ISP. They can also access Internet through a dedicated data network called Ernet operated by Deptt. of Electronics (DOE). The leased lines to Ernet

### Statement-I

*Detail of Applications Received for ISP Licences.*

(As on 3.6.1998)

of DOE are provided by the DOT at concessional rates.

Sl. No.	Service Area	Name of State in which service are falls.	No. of Applications.
1.	All India	All India **	2
2.	Mumbai Metro Telephone System.	Maharashtra	3

Sl. No.	Service Area	Name of State in which service are falls.	No. of Applications.
3.	Delhi Metro Telephone System.	Delhi (Union Territory)	1
4.	Bhubaneshwar SSA. (Secondary Switching Area Telephone System)	Orissa	1
5.	Ghaziabad SSA	Uttar Pradesh	1
6.	Bareilly SSA	-do-	1
7.	Jaipur SSA	Rajasthan	1
8.	Gulbarga SSA	Karnataka	1
9.	Mangalore SSA	-do-	1
10.	Karnal SSA	Haryana	1
TOTAL			13

### Statement-II

#### 1.0 *Definition of Service Area for ISP Licences.*

Separate licences shall be granted to any applicant company for each service area. For this purpose, the country has been divided into separate service areas in three categories as mentioned below:—

(i) Category "A" Service Area—This includes whole of India.

(ii) Category "B" Service Area — This consists of each one of the 20 Territorial Telecom Circles and four Metro Telephone systems of Delhi, Mumbai, Calcutta & Chennai or the Department of Telecommunications (DOT). However, if a licence for the Telephone Systems of four major cities of Ahmedabad, Bangalore, Hyderabad & Pune is required, these will also be treated as a category "B" & Service Area on a par with the Telecom circles.

(iii) Category "C" Services Area — Any Secondary Switching Area (SSA) of DOT with geographical boundaries as on 1.4.97, will form a separate category "C" Service Area

with the exception that each of the four Metro Telephone systems of Delhi, Mumbai, Calcutta & Chennai and Telephone Systems of four major cities of Ahmedabad, Bangalore Hyderabad & Pune of the DOT with geographical boundaries as on 1.4.97, will form a separate category "B" Service Area.

Applicants will be required to submit separate application for each service area. The ISP will be required to set up his nodes/servers within the geographical limits of the service area.

#### 2.0 *Quantum of Licence Fee has been Proposed as follows:*

The licence fee shall be waived for a period of five years upto 31.3.2003. The licence fee to be paid relating to period starting from 1.4.2003 by the licensee company shall be intimated on or before 1.4.2001 and shall be payable irrespective of the time of entry of an ISP. Therefore, for all those ISPs also who obtain licences prior to 31.3.2003, licence fee will become payable with effect from 1.4.2003.

3.0. - *Performance Bank Guarantee (PBC):*

It is proposed that a performance bank guarantee of Rs. 2.00 crores for each category 'A' Service area, Rs. 20.00 lakhs for each category 'B' service area and Rs. 3.00 lakhs for each category C service area valid for two years from any Scheduled Bank in the prescribed form shall be submitted alongwith the application for each service area.

**Internet Users in India**

1378. SHRI K. RAHMAN KHAN: Will the Minister of COMMUNICATIONS be pleased to state:

(a) the total number of internet users in India, State-wise, serviced by National Information Centre (NIC) Network and Videsh Sanchar Nigam Ltd. (VSNL);

(b) whether Government are aware that the VSNL is unable to provide satisfactory internet services; and

(c) what steps VSNL has initiated to provide satisfactory, quick and efficient internet connectivity in view of the increase of internet users?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI KABINDRA PURKAYASTHA):

(a) National Information Centre (NIC) is not an internet, service provider. The number of internet customers served by VSNL is given in the statement-I. (*Sec* below).

(b) VSNL is able to provide internet services satisfactorily from all of its nodes. VSNL nodes have adequate capacity for meeting all the requirement of the customers in India.

(c) The steps initiated by VSNL to provide satisfactory, quick and efficient internet connectivity to cope up with the increase of internet users are detailed in Statement\*!!.

**Statement-I**

*Number of Internet Customers served by VSNL*

STATION	TCP/IP	SHELLST	UDEN T
Mumbai	25416	4907	8789
Delhi	19722	c 1572	3824
Chennai	11608	1651	2645
Calcutta	4880	924	1033
Bangalore	7374	1050	2255
Pune	2401	380	—
<i>TOTAL</i>	<i>71401</i>	<i>10484</i>	<i>18546</i>

**Statement-II**

*Steps initiated by VSNL to provide satisfactory Internet Service*

VSNL has initiated the following measures:—

## (i) Operation Flood

VSNL is upgrading access capacity to improve telephone lines to customer ratio from 1 : 15 to 1 : 10.

## (ii) High Capacity Clustered Server

VSNL has deployed high capacity clustered SUN Servers at Mumbai, Delhi and Bangalore. VSNL Internet setup is modular and scale up to meet the growing customer base.

## (iii) Remote Access Server

VSNL is in the process of deploying high density and high capacity RAS to cater the growing access demand.

## (iv) International capacity

VSNL is having more than 68 Mbps capacity to various carriers for international capacity.

**Modernisation and Expansion of M.T.N.L.**

1379. DR. B.B. DUTTA: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether M.T.N.L. has been concentrating on accelerating the pace of modernisation and expansion;