

That this House resolves that the operative aspects of the New Telecom Policy and the subsequent measures initiated by the Government affecting the basic telecom services are detrimental to the interests of the subscribers, the people and the country and urges upon Government to reverse the present direction.

Madam, it is after a very difficult and prolonged process that this august House is having an opportunity to discuss the whole gamut of changes that has overtaken the telecom sector of the country. It is rather unfortunate that the discussion that is taking place in the House on the telecom sector has to be discussed as part of a Private Member's Resolution.

Madam, the National Telecom Policy was tabled in this House more than a year back, on the 12th of May, 1994.

SHRI JAGESH DESAI (Maharashtra): Madam, if you permit me, before that, I would like to suggest that those who could not speak on the Jain Commission should be given a chance first to seek clarifications on the statement of Mr. Chidambaram. Those names which are pending should be allowed to seek clarifications when Mr. Chidambaram makes his statement. If that is done, Madam, I have no objection.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): That will be done.

SHRI SATISH AGARWAL: That is our demand also.

SHRI SUNDER SINGH BHANDARI: It should be considered.

(Interruptions)

SHRI JAGESH DESAI : Madam, kindly give your ruling so that we can understand it. Otherwise, somebody would come and we do not know that will happen. (Interruptions)

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): If you want to seek clarifications, you are free to do it. Kindly sit down now. Mr. Basu, please continue. (Interruptions)

SHRI NILOTPAL BASU: Madam, I was saying that it was rather unfortunate that this House had the opportunity to discuss this policy and some of the important facets of this policy,

In the form of a Private Member's Resolution. About a year back, when this policy was tabled in the House, you will remember, it was so done under very, very controversial circumstances. In fact, there was a severe reprimand from the Chair to the Minister because proper order was not maintained in terms of tabling the policy. Subsequent to that, for the past, now, one year, at least, there has not been a single occasion when there was a comprehensive discussion, excepting for, may be, one or two occasions which we got here, where some little bits of the policy had been discussed in the House. Therefore, never was there a comprehensive discussion on the National Telecom Policy.

I think this speaks volumes for the way we conduct our business! it does not speak very well about the way in which the Government is trying to push the reforms in the country. Madam, it is a well-known fact, today, that, all over the world, telecom is one sector which has undergone one of the most profound changes on the basis and, as an aftermath, of the scientific and technological revolution.

Madam, I would like to draw your attention to the fact that communication, now, is considered as the second line of security, wherein very basic and fundamental changes are being brought about in the structure of ownership of the basic telecom services in the country. It is a shame that such an important policy framework, which would affect our future generations, which would affect the very survival, the very existence, of this country, has not been discussed in Parliament. Not only that, Madam, I have been given to understand that the Standing Committee of Parliament on Communication, and the Consultative Committee for the Ministry of Communications have not had the opportunity to discuss or debate this policy framework.

As I said, several profound changes are being brought about. Madam, I would like to draw your attention and, through you, that of the House, to the fact that several public interest petitions are pending before the hon. Supreme Court, questioning many of the significant aspects of this policy framework.

Repeatedly I would like to underline the fact that it is a shameful situation that all this is taking place behind the back of Parliament.

Parliament has not been able to discuss and debate this issue. This is unthinkable for a nation which claims itself to be the biggest democracy on the threshold of the 21st century.

What is the situation in the basic Telecom sector? We know that the health of our basic Telecom services is not so commendable. There, is also absolutely no disagreement about the need for reforms and about the need for improvement of the basic Telecom services in the country. We know that there is large room for improvement so far as customer interface of the Telecom Department is concerned, so far as improvement of the connectivity of calls is concerned and so many other aspects of the daily functioning of the Telecom sector. But the point is, how do we go about it?

Now, the basic national policy document with which the Government came before Parliament has outlined five objectives as the objectives of the National Telecom Policy, and I don't believe there is any disagreement in this House over these objectives. These objectives are unexceptional. But the difficulty arose that in laying down these objectives, certain calculations are being made. What are the calculations? If you allow me, Madam, I would like to quote the first two objectives of the National Telecom Policy. The first objective was, "The focus of the Telecom Policy shall be telecommunication for all and telecommunication within the reach of all." This means ensuring the availability of telephone on demand as early as possible. Another objective is "to achieve universal service covering all villages as early as possible." What is meant by the expression "universal service" is the provision of access for all people for certain basic telecom services at affordable and reasonable prices. So, these were the two specific targets which were laid down in the National Telecom Policy document—that we will provide telephone on demand by 31st March 1997, and all villages will have connectivity in the form of at least one village PCO by 31st March 1997.

What did the Government say? The Government said, in terms of the policy document, all the Planning Commission estimates that were there for the Eighth Plan, of providing 75 lakh direct exchange lines in the urban areas and 3,20,062 village telephones

for considerably increasing the reach of the village telephone network, would require a total of Rs. 41,116 crores. The Government was not in a position to mobilize all these resources. For this target alone, the Government was facing a resource deficit of Rs. 7,500 crores.

So, to reach this target of providing telephone on demand and telephone connection to each village, the Eighth Plan estimate was revised. The projection of the Government came that over and above the Eighth PU: estimate there was need for 25 lakh new telephone connections in the urban areas and 2,17,192 telephone connections for the villages for universal coverage. For this, the Government projected again that an amount of Rs. 15,750 crores would be needed. So, Rs. 7,500 crores plus Rs. 15,750 crores, totally Rs. 23,000 crores would be the resource requirement to meet the objectives of the National Telecom Policy. This was the submission of the Government before Parliament. Not only did the Government submit this to Parliament, but it has gone with the same figures in the Special Leave Petition No. 13,585/95 filed in the Supreme Court. These are the figures that the Government maintains.

Now, what is the actual position? Madam, I want to quote figures basically from the Annual Report of the Department of Telecommunications which we have got. In the last four years of the Eighth Plan period, so far as direct exchange lines are concerned, already 59,85,400 telephones have been installed. Of course, the figure for 1995-96, which is Rs. 20 lakhs, is a provisional figure. Therefore, for meeting the originally planned target, 15,15,000 telephones are yet to be commissioned, for which only the last year, that is, 1996-97 is left with us. Given the pace of work, given the kind of resources available with the Government and given the kind of commissioning of lines that has taken place in the last four years, it is very clear that not only will the DOT fulfill the target of the Eighth Plan but it will, in fact, create a surplus in terms of exceeding the target that was placed for the Eighth Plan. I think, a surplus of 5 lakhs to 10 lakhs over the original Eighth Plan would be intelligent guess.

So far as village telephones are concerned, in the last four years.... मंत्री थोड़ा मेहरबानी करने से बेहतर होगा।

SHRI P.V. RANGAYYA NAIDU: I am listening.

SHRI NILOTPAL BASU: So, for the year 1995-96, that is again a provisional figure. For four years, the achievement is 2,13,073. That means, for reaching the target of the Eighth Plan, we would need 1,07,000 village telephones.

There is no doubt that the DOT can fill this gap of 2,13,073 by the 31st of March, 1997 from its own resources.

The resource gap of Rs. 7,500 crores which the Government was pointing was, was actually non-existent. So, to that extent, the figures that the Government has placed before Parliament are totally unfounded. Not only has the Government misled this House, but it has also misled the hon. Supreme Court by rigging the figures.

3.00 P.M.

I would prove it more substantially later on to basically justify the kind of changes that they are now unleashing. Therefore, what were the actual resource gaps to meet the revised State Plan targets or the NTP targets? We find that on the Eighth Plan targets, since there is no resource gap, the targets will be taken care of by the DOT itself. At that time the assumption was that out of the total connectivity that was to be provided to reach the objective of the new Telecom Policy, the investment required to be made by the private apparatus would have been Rs. 8,343 crores at 47,000 per direct exchange lines as was pointed out in the NTP Document. With the DOT exceeding its target for the Eighth Plan, the number of direct exchange lines that need to be provided to achieve the target of telephone on demand only about Rs. 10 lakhs on account of the revised targets. With the investment cost of Rs. 47,000 per direct exchange lines, the additional investment required for direct exchange line works out to Rs. 4,700 crores instead of Rs. 11,750 crores, as was mentioned in the NTP document.

Madam, I would like to underline the figures of Rs. 4,700 crores against the proposed Rs. 11,750 crores. Similarly, we can also see that the target for the village telephones has also got slashed substantially. It is not only this that the NTP document has tried to mislead the Parliament and the Supreme Court, the projection was that the telephone demand will

grow at an annual rate of 15 per cent per annum. But what is the actual situation? The Minister must know that it is from this Annual Report that I am quoting. For the last year, the annual rate of growth has been only 9.2 per cent. And by no stretch of imagination the annual rate of growth of the demand...

THE VICE-CHAIRMAN (SHRIMATI KAMALA SINHA): Please conclude.

SHRI NILOTPAL BASU: I have just started.

THE VICE-CHAIRMAN (SHRIMATI KAMALA SINHA): You have taken about 20 minutes.

SHRI NILOTPAL BASU: Naturally. I am moving the Resolution and I have pointed out time and again that we did not have any opportunity to discuss this policy. There are substantial issues.

THE VICE-CHAIRMAN (SHRIMATI KAMALA SINHA): I am just reminding you about your time. Please continue.

SHRI NILOTPAL BASU: The point is that the demand will actually grow at the maximum at an average of 12 per cent and this projection is closer to the Planning Commission figures, which kept the annual rate of growth of telephone demand at 10 per cent. So, the Government will also have to explain why they again inflated the figures for telephone demand. Why did they mislead the House and the Supreme Court? Then on another count also there were rigging in figures. The Government said in the Document that this was around Rs. 47,000 per direct exchange line. But, what do we get from the Annual Report? For 1992-93, the investment of DOT has been Rs. 3902 crores and for MTNL Rs. 7.04 crores. For 1993-94, the figures are Rs. 4,744 crores for DOT and Rs. 838 crores for MTNL.

For D.S. added in thousands, for DOT 977, for MTNL 266, village telephones added 33,000, total 8,646 crores for DOT and 1,541 for MTNL. D.S. added 1,773 for DOT, for MTNL 453, village telephones added 63,000. So, from this we can work out the investment cost for the network, as a whole, both DOT and MTNL combined works out to Rs. 41,327. I would ask the Minister to check the figures. These are quoted from the Annual Report. So, what is the difference between Rs. 47,000 and Rs. 41,327? It is almost Rs. 6,500/- So, per

unit cost of telephone, to that extent, the Government has inflated the figures to arrive at the fictitious figures of Rs. 23,000 crores. What is the reply? Why have they done like this? They have done like this only to justify induction of the private sector. Is it really necessary? If we work out the figures, it would be no more than Rs. 4000 crores of deficit for achieving really the objectives of the National Telecom Policy. So far as providing telephone on demand and connectivity to each village are concerned, it is not more than Rs. 4,000/-. The stage in which the private sector investment induction is in is not more than Rs. 3,000/-crores. The foreign investors and other private investors will spend Rs. 3,000/- crores up till 31st March, 1997. So, the country was given to believe that there is a big crisis and the DOT cannot manage the situation on its own and, therefore, the private investment is justified.

Madam, here I would like to make a point very, very clear. So far as I am concerned, I have absolutely no problem with the private sector investment as such. Even I have no problem with foreign investment as such. But the point is whether we can concede ownership of operational control to foreign companies in a sensitive sector like the basic telecom services. The ownership question is another very sordid story. I have to say this. How is the Government using this National Telecom Policy document as a basis in terms of the three other documents that they have moved, first the guidelines to the basic tender documents, subsequently the tender documents and thirdly, the clarifications which they have given to different potential licencees on the 27th May, 1995. They have violated the spirit of the National Telecom Policy. Why I am saying this is if you go through the National Telecom Policy document, you will see everywhere it has been mentioned that we want private sector investment to supplement the efforts of the DOT. Nowhere are we talking about putting the DOT in competition with the private entity. Throughout the document, the thrust is on how we can attract private investment to supplement the efforts of the DOT so that the so-called alleged resource gap can be overcome. What did they do? Mr. Narasimha Rao, our Prime Minister, visited the United States last year. He showed to the world that our basic Telecom Policy is for taking over

the telephone industry by the foreign telecom companies.

So, he went there with the justification that the Indian Government had decided in terms of a National Telecom Policy. I do not know how a policy can become a National Policy without consultation with Parliament, without consultation with the other political parties, without really trying to evolve a national consensus. But still, he went there with this National Telecom Policy as an invitation to the different multinational corporations. What happened next? In September, 1994, an International Telecom Conference was to be held in Kyoto in Japan. So, our Communication Minister who is not here, unfortunately, went to Kyoto.

SHRI TRILOKI NATH CHATURVEDI: Hit predecessor and present successor temporarily is here.

SHRI NILOTPAL BASU: It is a rather heavy task.

SHRI M.A. BABY: It is an unenviable task.

श्री महेश्वर सिंह: जब जब ऐसा मौका आता है तो भले आदमी फंस जाते हैं।....(व्यवधान)...

SHRI NILOTPAL BASU: When these guidelines were given for the first time, it was announced that for the basic services, up to 49 per cent foreign equity would be allowed. I would like to ask you, Mr. Minister. Which other country has 49 per cent foreign equity? Interestingly, one of our friends asked a question some time back about foreign equity. It was in this Session only. The reply given by the Minister is that Indonesia has 95 per cent foreign equity; Australia has 49 per cent, what about the other countries? The figures that we have tell us, France has 'zero' foreign equity; in Germany, of course, there is a privatisation move, but not 49 per cent; England has 'zero' foreign equity; and the USA, which we all love to talk about these days, has only 20 per cent foreign equity. So, how come the Indian Government has allowed 49 per cent foreign equity? And what is the situation of the developing countries? China again, is our favourite when we discuss reforms. It has 'zero' foreign equity; Korea has 'zero' foreign equity; Malaysia has 25 per cent foreign equity; the Philippines has 40 per cent foreign equity;

Singapore has 'zero' per cent; and Thailand has 'zero' per cent foreign equity. This is the equity position.

I have a very, very good report which was written by the 'Economist', not by any of our leftist journals. What does the 'economist' (July 22-29) say about China's telecom reforms? It says that all the foreign telecom companies are upset over the manner in which China is handling its telecom setlor. What does it say about that? I quote: "For foreign telecom companies desperate for a co-holding with China, the past few years have been frustrating. China's Government has been all too happy to let outsiders improve the country's feeble telecom network, but it has been less ready to concede any claim on the lines and equipment once they are in place. It bans foreign ownership and operation of telephone network. And how much of telephone lines China is commissioning every year? The same report says that 10-15 million lines are added by China every year. It also says why a foreign company should want to be involved in such a capricious market. They do not have ownership, but they are putting in money. Why?"

One benefit into China is that there is a big potential market, and finally, they say, critically, the ownership remains with the State. That may not be what foreign investors would choose. But with 1.2 billion potential subscribers at stake, they may be willing to take the risk." Madam, this brings us to the global scenario. So far as the telecom market is concerned, everybody knows Ike power-1 mean, electrical power, not political power—there is a glut in the global market. There is surplus both in terms of capital and manufacturing capacity with the developed countries because the scenario all over the world is like this that they are now progressing towards the multi-media communication system where the television, where the personal computer and where the basic telephony they are tending t merge. So, the demand for basic telephones and the fixed line network is tapering off.

[The Vice-Chairman (Shri Satish Agarwal) in the Chair]

So, they are left behind the surplus which they want to invest. These companies, these investors, need our market as much as we need their capital and it is precisely on this leverage that China has worked out a successful telecom

policy where they are able to induce a large amount of foreign investment, whereas we are going everywhere with a begging bowl and we are trying to prostrate before them by allowing them up to 49 per cent foreign equity. The shameful story of ownership does not stop there. With the guidelines in the basic tender document, what do they say? They say: "There should be maximum 49 per cent foreign equity. But there has to be a minimum of 10 per cent foreign equity". Many Indian companies feel that by this they are denied the opportunity of hiring consultants and management experts who have the experience of running telecom network. Our Indian companies are there, so, notwithstanding the quantum of foreign equity, the fact that foreign equity has become mandatory to bid for basic telecom services, has made our Indian companies also vulnerable to these foreign investors. They are using this leverage to squeeze maximum possible benefit from our Indian companies who have to have partnership with these foreign entities to bid for the basic services. I do not know of any other country, Mr. Vice-Chairman, Sir, where a particular Government announces from the rooftop, "You Indians, you are worthless and unless you have that glittering ten per cent minimum foreign equity, you are not eligible to bid for the basic telcom services of your country." What is more shameful is that the Government also announces that the Indian Government companies cannot bid? Who can bid? There are knowldegeable people and there are people who can supply our substitute Communications Minister with facts and figures. Let them say that there are at least five foreign Government companies which have bid—Troiska Teleca, Singapore Telecom, Malaysia Telecom, all these companies are Government companies. Our poor ITI cannot bid. Our HPL cannot bid. Our State Government undertakings in the communication sector cannot bid. Foreign Government companies can bid. Have you ever heard of any other such atrocious position the Government is taking? And, when it understood, when it realised that this was the logic which could not be sustained with the people, what have they done? On that clarification, on 22nd May, they were saying:" Yes, the Government can bid in partnership with private companies and with foreign partners..."

But they should not have majority equity. So, ITI would have formed a company with another private sector company and with another foreign company and could have held as much as 49 per cent equity in that company. Does this not amount to misleading the Parliament and the Supreme Court? I will show you, how devious the Government is at this place, when Jaipal Reddyji asked an Unstarred Question 2213, dated 23rd August, about the m bidding, part (b) of the answer given is:

"The Indian companies registered under the Indian Companies Act, except the Government companies, have been permitted to bid against the tender floated over the provisions of this Telecom Service."

But on the same day when there was a question in Mr. Dipankar Mukherjee's and Nilotpal Basu's names, No. 2228, what was the reply? We put a specific question. "The clarification is there on 27th of May, but these Government companies can bid." This is the reply! Again, the reply to part (b) of the question is: "Yes, PSU can be part of a bidder company. The requirement is that majority of equity of a bidder company should not be held by the Government." This is the kind of deceit the Government is practising. Is this a democracy? Is this a welfare State? Is this a Government which proclaims that it is working in the interest of the country? I have no answer. I leave it to the Government. I do not know. I do not find any of my friends on the ruling benches. Only the Ministers are there. So, with this kind of interest in the ruling party it is quite natural that this kind of fate is overtaking the country. We have Ministers, we have Governments, who can bluff the Parliament, who can mislead the Supreme Court, who can send the country to dogs. This is the situation in which we are. So, this is a very, very serious situation, Mr. Vice-Chairman.

Sir, the next point that I would like to deal with is the impact of the National Telecom-Policy, and particularly the kind of follow-up measures that the Government has proposed to take in the field of telecom. What is the impact? Again, a very misleading, a very hazy picture is being given by the Government. The problem is that there are very big waiting lists in the country. It is true that 2.8 million persons are on the

waiting list. That was the waiting list when the Telecom Policy was announced. Where was this waiting list spread over? It was spread over 19,500 exchanges of this country. What was the average waiting list per exchange? Sir, again I made it a point, as I mentioned earlier, that since I was not getting a chance to discuss this issue in Parliament, I had very systematically asked questions of the Government and had got replies from the Government which are quite revealing.

Then again, I have got a reply to Unstarred Question 1251 dated 22.3.95 that there are more than 2,000. waiting on the list in one exchange. Only 250 such exchanges are there where the waiting list is more than 2,000, out of the total 19,500 exchanges.

So, the economics of telecom is this. If you disperse the waiting list, if the waiting list is small under one exchange, the capital investment per line becomes disproportionately large. My question is whether the private sector investment will take place in a manner which would wipe out the waiting list. Why are the private companies interested? We know why the private companies are interested because they can make profit out of it. If the base where they work is so small, they don't have any profit margin. We know that this privatisation is taking place only in certain circles, not in the whole country. The point is that the profit margin will not be that much in such far-flung areas where the waiting list is dispersed in the country.

The second point is that if the private companies come, the efficiency of the system will improve because there will be competition. There is again a catch. The Minister, before going abroad, has announced, I think, in the Lok Sabha that the Government is going to earn Rs. 1,00,000 crores in terms of licence fee. Out of that approximately Rs. 20,000 crores will come from the cellular service and Rs. 80,000 crores will come from the basic services. Now the point is that a picture is being painted in the country as if these private companies are paying from their own pocket this amount of money to the Government, which will be used for the upkeep of the DOT. But what is the fact?

This licence fee will be collected from the subscribers. Rupees eighty thousand crores means, that is, licence fee spread over a

15-year period, an annual licence fee of Rs. 5,000 per subscriber, given the kind of projections which we have, therefore, what the private sector is going to do is to take cognizance of the nature of the Indian service market. What is the Indian service market? I have a classified document with me on revenue, calls and subscribers for the month of October, 1994. It shows that six per cent of the subscribers contribute as much as 60% of the total revenue earned and conversely about 51% of the total subscribers contribute only 5% of the total revenue. Take a small businessman. What would he do? He would not be interested in the 94% of the subscribers at all. He has flexibility of the market. He will approach only that six per cent which is paying the lion's share of the revenue because he will have to make good for his licence fee, incidental charges and all that. Therefore, what happens? On one side of the scale of competition we have the DoT, which is a national network, which has to serve 100% of the subscribers, and on the other side of the scale, we have these private companies, who address and target only the six per cent. There is an inherent advantage for the private sector companies. This is an inherently uneven playing field for the private sector. The DoT, being a part of the Government, cannot approach the Indian capital market for mobilisation of its resources. These foreign companies get a solid line from their multinational banks. When we talk of global competition, even competition, what are the kinds of contracts? Deferred payments will have to be made. Lease payments will have to be made. I have no objection to these things. Will our IDBI or other credit line, for example, the Chase Manhattan bank or other giant financial institutions organise for AT & T or the Japanese financial institutions organise for Fijitsu or other companies?

This is an inherent unequal situation where the DoT will go to the dogs. The DoT cannot survive this competition because we have an uneven playing field. Now, along with the DoT, what will be the position of the indigenous sector? It is stated in the National Telecom Policy document that one of the objectives of the National Telecom Policy will be that India has to become a major exporter of telecom equipments and within the framework of the National Telecom Policy we will encourage

indigenous telecom industries. What is the situation today? We again started putting questions. Shri Jaipal Reddy also put a couple of questions. Our question was this. The most sound public sector telecom equipment manufacturing company is the ITI and it has gone into the red. They have made a cash loss of Rs. 82 crores. Why did it happen? The answer of the Government was that they were losing of competition and that it was the responsibility of the ITI to find ways and means for diversification. It is for the ITI management to find ways and means to mobilise resources. What is the shaddy story? Mr. Vice-Chairman, Sir, you know that right now the ITI is having an order of Rs. 100 crores from the DOT. But, it, could not execute it. Why? It could not execute it because the signature of the Chairman, ITI is required for diversification. For the last six months the proposal for the appointment of the Chairman, ITI is laying with the Cabinet Secretariat and the Cabinet Secretariat is sitting over the order paper. The ITI is making losses. The ITI is not getting credit. When the ITI asked for bidding of its basic services, it was told not to do it. But all of a sudden, on 27th May, it was told that you can team up with other private sector entities and with other foreign entities and can bid. On 23rd June the bid was closed. They are being misled purposely so that they can be edged out of the process of competition. This is how we are dealing with our indigenous public sector companies. If we contrast it with the attitude of the Government towards the private operators or the so-called licensees who will come into the basic telecom field if the Government is allowed to implement its policies, what will happen? Initially it was announced by the Government that though the private operators will be operating on the basis of one circle, but the intra circle STD, long distance calls, will not be opened up. But, again the Government has gone back. When I asked about it on 27th May, they said, "No, intra circle STD can be opened up to the private sector and they can instal the earth station." The TRAI was supposed to be formed to oversee the process of privatisation. You know, Sir, what kind of a fate the TRAI has met in this House because of the Bill that was brought here. It was a sham. The Government also admitted that it was a sham. So, it will wait till the next session to come here with a comprehensive Bill.

But, what has been done? Access charges had to be paid to the DoT and the MTNL and the VSNL. There was an arrangement.

The arrangement was that 84 paise per call was to be paid by the M.T.N.L. to the D.O.T and the V.S.N.L. for STD calls and 64 paise per call was to be paid to these agencies for internal or national STD calls. The Government has again revised those rates. Now, 60 paise per call will be charged from these private companies for ISD calls and 50 paise per call for STD calls. What is the calculating? The Government is telling us that they are going to collect Rs. 80,000 crores as licence fee. And, what is the amount that they are going to lose out because of this revision of the access fee rates? It will be Rs. 30,000 crores to Rs. 35,000 crores. I challenge the Minister to contest my figures. (*Interruptions*)

मैं जानता हूँ। ऐसे लोग हैं इसीलिए इस देश में ऐसी नीति हो रही है।

श्री एस.एस.अहलुवालिया: क्या आप चैलेंज दे रहे हैं ?

श्री नीलोत्पल बसु: जरूर चैलेंज दूंगा। देश को बरबाद कर रहे हो तो इस चैलेंज नहीं करेंगे ?

SHRI M.A. BABY: We are sorry that the Minister who should have faced these challenges is absent.

SHRI V. NARAYANASAMY: He challenged you last time.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Kindly conclude, Mr. Basu.

SHRI NILOTPAL BASU: Just five minutes more, Mr. Vice-Chairman, Sir. I have almost concluded it. So this is the situation that whatever they are supposed to get as licence fee, which the private companies will subsequently raise from the subscribers, they have already given it with the left hand by opening up of the intra-Circle STD and by revising the rates of the STD and the ISD access fee. They have made this kind of a gift to the private companies.

Another point that is being made is that if there are so many competitors, the services will automatically improve. But, has competition really any connection with efficiency? We have so many countries in the world today where Government monopoly is there, where monopoly of private corporations and public corporations

is there. But their telecom systems are fine. There is no problem. It is there in Germany, France, Britain and so many other countries. Even in America it was almost a monopoly of the AT&T. So, Sir, I think this attempt to draw such kind of a comparison in the telecom sector is misplaced. It doesn't tally with the actual reality that is obtaining in different parts of our country.

Sir, another point that I would like to make is that this policy and the approach of the Government is also going to increase the regional imbalance. I was talking about the waiting lists. Another point was that some of the telecom Circles are loss-making and some of the Circles are profit-making. We heard initially, even from the Prime Minister—it was rumoured; I cannot speak very firmly about it—that one Circle will be clubbed with one loss-making Circle so that there is a balance. But later on no such clubbing was there and the result, as you, Mr. Vice-Chairman, also know, was that already there was no bid for Kashmir and for six Circles, there is only one single bidder! What will happen? And, if you see the pattern of bidding also, it is very interesting to find that it is mainly for 'A' category Circles. For 'A' category Circles, the total number of bids is 42 and the percentage of these bids to the total number of bids is 52%. For 'B' category Circles, the figure is 29 and 36%. For 'C' category Circles, the number of bids is 10 and their percentage to the total number of bids is 12%.

So, there is no doubt that those underdeveloped areas in the name of which we are allowing this entry of the private sector in the basic services, they are just not interested in our backward areas, they are interested in Maharashtra, in Gujarat, in Madras, in Calcutta, in Bombay, and in our major places from where bulk of our revenue comes and the point I was making earlier, in terms of subscribers and percentage of revenue, that again is substantiated with the pattern in which the private companies have tended to bid for these different categories of bids.

There were other omissions also. I don't know so many things are there, who is responsible for what because, the other day, the Communication Minister was saying that his Ministry has not done this, it is the Prime

Minister's office that U.S. West was given a letter of intent for a pilot project. Now, I don't know whether you know of it that pilot project running into ten years and involving an investment of one billion dollars. So, that is the kind of pilot project we have given permission to the U.S. West and now they are the major bidders in major four 'A' category circles. So, this is the situation.

Finally, I would like to say about tariffs. So, in this uneven competition, if the DoT has to survive — who will take care of the majority of our subscribers, to the tune of 90 per cent — they cannot survive without raising the tariff. So, the average subscriber will have to indirectly face a tariff hike and the private companies in absentia enjoy that tariff hike by the DoT because the highest tariff level is determined by the DoT tariff rate.

Finally and most importantly, Mr. Vice-Chairman, Sir, that there should be a really very serious enquiry about the security implications of inducting private companies into the basic telecom services where foreign equity up to 49 per cent is allowed. I don't know whether any serious evaluation has taken place because again, I submit, that there are written replies by the Government where it is totally wishy-washy about it. I only know when the Gulf War was being fought, when Iraq attacked Kuwait, it was first the communication earth station which was attacked. I only know of this that when the United States, under the aegis of the U.N., attacked Iraq, they attacked the communication lines of Iraq. I only know of this that last year our neighbour Pakistan wanted to privatise communications. There was a year-long debate in Pakistan media about that prospect, and, finally, they decided not to go in for privatisation because of security concerns. Mr. Vice-Chairman, Sir, I am aware that now there is a report available in the United States where they say that the CIA is investing a large amount for evesdropping in the communication network of different countries. I don't say with the DOT around, I mean, we are foolproof, but with foreigners involved, and, more so, foreign government companies involved, the security question, the stake is really high. I just want that there should be a proper evaluation. I don't know whether the armed forces, whether the para-military forces, whether different intelligence agencies have been really involved

in the process of risk evaluation for inducting private telecom companies with as high as 49 per cent foreign equity, and whether this security question has been really gone through or not.

I think my points are self-explanatory. So, I would like to appeal to the Government, I would like to urge upon the Government; thus far, and no further. About value-added services we have no problem, let us go in for the opening-up, let us go in for a transparent process of tendering and all that, but so far as basic services are concerned, from any angle, from any point of view, we really do not need the private sector investment, less so, the foreign equity component. Therefore, I would urge upon the Government really to roll back the policy offensive that it has unveiled. Thank you, Sir.

SHRI V. NARAYANASAMY (PONDICHERRY): Mr. Vice-Chairman, thank you very much for giving me this opportunity. I was hearing the hon. Member, Shri Basu, who moved this Private Member's Resolution in this august House on a very important subject, which is a matter of discussion throughout the country. There are opinions for and against the Telecom Policy that has been announced by the Government. Sir, the hon. Member in his resolution has stated, "This House resolves that the operative aspects of the New Telecom Policy and the subsequent measures initiated by the Government affecting the basic telecom services are detrimental to the interests of the subscribers, the people and the country and urges upon the Government to reverse the present direction." This is what the hon. Member wanted. In his argument, he was telling about the equity participation by the private multinational companies, the price factor and the security. He has referred to various aspects in this regard. Mr. Vice-Chairman, Sir, when Shri Rajiv Gandhi was the Prime Minister of this country, it was his vision that this country should have a quick telecom system. He wanted cellular, telephones to be introduced in the whole country. Thereafter, when the present Government, headed by Shri Narasimha Raoji, took over and brought in the New Economic Policy, the New Import-Export Policy and the globalisation of economy, it was felt absolutely necessary that the country should have a telecom policy which is suitable to this particular atmosphere. For that, Sir, the

Government has brought this New Telecom Policy by which it wants competition between the public sector and the private sector. Sir, I represent the working community—but I find because there I should not shirk my responsibility as a citizen of this country.—the amount of hardship and the sufferings the people have undergone because of the strikes and various sabotaging works that have been done by various people. The telecom service of this country was paralysed on several occasions. I am not blaming anybody in this matter. Sometimes management may be right, sometimes employees may be right. I am not going into that aspect at all. By the new policy of liberalisation, they want the public sector and the private sector to grow side by side. When it is a loss-making unit, the Government should not pump its funds into that unit which cannot be revived. But when in the public sector there is a viable unit, the Government is prepared to invest more. This is the policy of the Government. When we go by to the basic telecom service, the hon. Member was telling that as far as basic services are concerned, the Government should be very careful and we should not succumb to the pressure of the multinationals and we should not give up the security aspect. All these aspects will be considered. Sir, I was quoting China. I would like to quote our neighbouring countries, Pakistan, Sri Lanka, Malaysia, etc....

....whether the private companies have set up the cellular telephones. They were operating it long back when India started the process. And they have been successful. Sir, which system has to be operated and how the bidding is to be done are matters of procedure. I am not going into that aspect. I am on the basic question of whether the private parties and the multinationals have to be allowed to enter into the telecom sector or not. For that, the issue is that it has to be because of the globalisation of the economy that has been done by the Government. While doing so, I would like to tell the hon. Minister that the Government has to be vigilant and the Government should also see that the subscribers get the benefit out of it. When you compare the multi-nationals coming here and setting up and cooperating with us in the telecom sector I feel that the subscribers should be given the benefit that has been given by the public sector, that is, the telecom organisation

in this country. Sir, I want the hon. Minister to clarify a point, I may not be right also. I was told, Sir, that in the telecom sector for a single telephone call, the telecom is charging about one rupee per subscriber for a local call. But if it is a cellular telephone that has been used by the subscriber, I was told that it is eight times more. Why this anomaly is there? After all, we are bringing the multinational to come over here and compete with the public sector and when that being the case, why do you give them more leverage at the cost of the subscriber? This is the question which the hon. Minister has to answer. Sir, when the telecom policy was discussed in the Standing Committee and the report was also submitted in this august House, and last time also when the Bill was brought in the Members raised various issues relating to the

SHRI NILOTPAL BASU: Just one minute. The policy was never discussed first, it was the Bill which was discussed.

SHRI V. NARAYANASAMY: When the Bill came into the House for discussion, the hon. Minister wanted to present the Bill in the next session of Parliament. The Members made a fervent appeal that the Minister should not agree to processing the technical bidding and the financial bidding and he should not proceed further because the Telecom Regulatory Authority as contemplated under the Act has not been approved by the Parliament and therefore, this cannot be taken into consideration. Sir, I would like to submit that when it is a question of the Government taking a decision and proceeding with that for selecting the competitors, the Government will take all care to see that they do not violate the letter of law and also the procedure and they go by the approval which the Parliament has given in this regard. Sir, now, in the new system, the pager has been introduced in this country, in various cities and it has been more helpful to the subscribers. It has been given to some of the Indian companies who have got collaboration with the foreign companies and it has been helpful to the people, especially, the business community, the traders, the exporters and also the industrialists and the people who are living in the far-flung areas. Sir, I am confident that with this Cellular telephone that has been introduced, when it comes into operation, definitely it will have competition.

That will improve the work culture of the employees of the Telecom Department because we find that, of late, there are so many complaints from the subscribers against the employees working there in the Telecom Department. I am not talking of the engineering staff alone. There are several complaints from the subscribers. Even the hon. members have raised several times in this House about overbilling, tapping of telephones of people, and meddling with the telephones of the people. So many complaints have been there. But, unfortunately, none of them is attended to. Whether it is the Minister or the Telecom Authority which has been functioning in various parts of the country, they do not even bother to look into the complaints of the subscribers. Sir, I have a personal experience about this overbilling. Several hon. Members also raised this issue in the House. When the hon. Members are not in station, when they are not here in Delhi and when they are in their constituencies, they get a bill of Rs. 4,000/- or Rs. 5,000/-. And when they write to the Telecom Department, no reply is received by them. They are not responding even to the letters of the Members of Parliament. Secondly, what happens is, when we write to the Minister, the reply comes to us saying that it has been a mistake, and they are reviewing it. What will they do, Sir? They make an average calculation of the metre-reading, and then they arrive at a certain figure. Who is punished for the mistake of the employees who go there for metre-reading? The subscriber is punished.

Sir, I made a suggestion to the Hon. Minister that you have a small meter in the Telecom Department. The subscriber will know how many calls he has made. That can be compared with the meter you have in the Telecom Department, and the common man, the subscriber will not feel the burden of it. The Minister said that it is a good proposal, but nothing has been done about it. Sir, these are the basic problems which the subscribers are facing in our country. Sir, the demand for telecom services, specially the telephones has increased by more than 100 per cent. The Telecom Department is not in a position to meet this demand. No doubt, because of the investment by the Government and the flow of funds from the Telecom Department for the purpose of developing the telecom sector, several lakhs of telephone connections have

been given to the people. Still, the number of wait-listed persons, those who have paid the deposits for getting the telephone connections, in both rural and urban areas, is running into several lakhs. The pace at which they are going, the Telecom Department, even after 2,000 AD may not be able to meet the demand of the people for telephone connections. Therefore, Sir, by asking the private companies to come forward and invest money in the telecom sector by introducing cellular telephones, I feel, we may be able to meet, to a large extent, the demand for telephones from the wait-listed people. Sir, the Government is not able to invest there. But, as I said, the subscribers' interests have also to be safeguarded. For that, whatever system or method you want to adopt, you should adopt. And whatever rules and regulations have to be made, you should do that. Sir, in the United States, in the developed countries of the Europe, and in some of the developing countries, the system is functioning very well. They have got total privatisation in those countries. But, in India, when we wanted the public sector and the private Sector to compete, there is a lot of criticism.

SHRI NILOTPAL BASU: Sir, just a minute. Mr. Narayanasamy is time and again saying about the private sector. I would like to ask him: In which countries is the basic telecom sector under the private sector? Will he provide a list of those countries?

4.00 P.M.

The resolution also refers to the basic telecom services. We are talking here about the basic telecom services and, according to the National Telecom Policy document, cellular services are value-added services. At the very outset, I made this point very clear that we had no objection to the opening up of the value-added services; absolutely no objection. If the process is transparent, if things are not given without tender, we have no problem.

श्री महेश्वर सिंह: बसु जी, यह एक खराब केस की एक अच्छे वकील की तरह वकालत कर रहे हैं?

SHRI V. NARAYANSAMY: The hon. Member discussed with us. For example, Chile; Trinidad and Tobago; the Latin American countries. In all these countries, basic telecom services are opened up. He told me. I have to give the names.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): You give your list to the Minister. He will give the names.

SHRI V. NARAYANASAMY: The Minister knows everything. Therefore, I need not tell him anything. The hon. Member asked me the question. Therefore, I am responding. Anyway, it is for the Minister to respond.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): You carry on now.

SHRI V. NARAYANASAMY: The hon. Member was talking about the equity participation. He arused elaborately, while giving his views, about the equity participation in the telecom sector. I would like to remind the hon. Member that the policy of the Government of India is one of having fifty-one per cent equity participation in all sectors. We have not deviated from that policy. He was quoting China and other countries. Whenever it is convenient to them, they would quote. Whenever it is not convenient to them, when we tell them, they would not accept. Anyway, I am not going into that aspect.

On one point, on one aspect, I agree with the hon. Member, i.e., the security of the country. I agree with him on that.

SHRI NILOTPAL BASU: This is precisely why the question of foreign equity would come up time and again.

SHRI V. NARAYANASAMY: It does not come.

SHRI NILOTPAL BASU: It cannot be compared with the other sectors. Why is America having a ceiling of only twenty per cent of foreign equity? It is allowed hundred per cent in other sectors.

SHRI V. NARAYANASAMY: I do not want to answer the hon. Member. The Minister will answer.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): You do not assume the responsibility.

SHRI V. NARAYANASAMY: I am not assuming any responsibility.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Mr. Narayanasamy, I would advise you not to join issue with Mr. Basu. He is more informed about the telecom sector....

SHRI V. NARAYANASAMY: I know very well.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): The only Member, I suppose.

SHRI V NARAYANASAMY: We both went and addressed meetings. We know.

The point I was making was that Government of India's policy on equity participation is perfectly all right. This was the point I wanted to draw your attention to. The policy of the Government of India is to have the majority shareholding, i.e., 51 per cent; whether it is in the telecom sector or in any other sector. There is no deviation from that policy by the Government, on any account. This applies to all the sectors; the consumer industries sector, the basic services sector and the core sector, which the Government is concentrating on.

The hon. Member was mentioning that Dy this new telecom policy, it is detrimental to the interests of the subscribers. But he has to tell us—he has to substantiate—as to how it is detrimental. The hon. Member also said that by going in for privatisation, the interests of the people would be affected. He has to tell us as to how they would be affected.

What do you find in the world arena where many countries are going in for privatisation? Today, in the case of China, for example, the investment from abroad is twenty billion dollars. In India, it is not even 1.6 billion dollars, as far as the NRI investment is concerned. The investment in China by the American and Japanese companies is enormous. Therefore, Sir, the Government of India has to see whether the entry of the private sector into this sector is beneficial to the people of this country. That is the basic point. The question is whether the country would be benefited by it or not. The question is whether the people of this country would get any advantage out of it or not. That is the point we have to see. But, unfortunately, they are making a political issue out of it. I have some reservations on it. I have some reservations on the national security. I have some reservations which I would like to tell the hon. Minister. By the new Telecom policy, how are you going to safeguard, and what mechanism have you arrived at, for the purpose of checking those multinationals who are coming here and to see that the national interest is not affected? Will the hon. Minister answer that point also? It is a

SHRI V. NARAYANASAMY: Sir, after speaking in favour of the Policy. I have to speak in favour of the employees also. Otherwise it may seem that I have been supporting the Government and ignoring the employees' interests.

उपसभाध्यक्ष (श्री सतीश अग्रवाल): 25 मिनट तो आपने विशेषमें लिए और 25 मिनट समर्थन में बोलेंगे।

SHRI V. NARAYANASAMY: Sir, this is the last point. I am concluding. I want the hon. Minister to clarify whether there will be safeguards in the interest of the employees who are working in the telecom sector. They have been giving calls for *dharma*. They have been calling intellectuals to discuss the Telecom Policy (*Interruptions*)

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Mr. Jibon Roy please.

SHRI V. NARAYANASAMY: Therefore, I want the hon. Minister to clarify how they are going to take care of the employees' interests because as I said earlier the public sector and the private sector should simultaneously grow and in that process the public sector employees should not be sacked. Therefore I want the hon. Minister to clarify the position.

I totally disapprove of the Resolution moved by the hon. Member, Mr. Nilotal Basu.

With this, I conclude.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Thank you Mr. Narayanasamy.

Mr. T.N. Chaturvedi. You will kindly keep in mind that this has to be disposed of today if possible.

SHRI TRILOKI NATH CHATURVEDI (UTTAR PRADESH): Fortunately for me Mr. Nilotal Basu, the Mover of the Resolution has spoken at length on the subject. I have not much to add to what he has said. Still, I think since this matter has not been discussed at all in this House it has not been discussed at all in Parliament I think a few additional things have to be said.

I will just like to mention that the National Telecom Policy Resolution was announced some time in May 1994. Mr. Basu has already mentioned the background in which Utis Policy Resolution was brought before the House. It was not listed. It was brought in the afternoon

or in the evening. There was hardly any discussion on it. I think that has created a lot of misgivings.

So far as the Policy Resolution is concerned as was mentioned there are five broadly objectives. I don't want to mention them at any great length but just to remind ourselves, I will certainly like to mention them very briefly.

First, availability of the service to all; its access to all.

Second to achieve universal service at an affordable price.

Third service of the world standard.

Fourth to ensure that India emerges as a major manufacturer. It is important to remind ourselves of this.

The last is the defence and security of the country. All are very laudable objectives. But the steps taken subsequently to implement this Policy are all debatable. That is very important. The policy line of the Government is that nothing important should be discussed in this House or in Parliament and that both the Houses should be rendered irrelevant.

I just want to remind you and thought you the House that the Plan which is going to end after two years has not been discussed in either of the two Houses. The references to the telecom Policy in the-Eighth Plan have not been discussed in this House. There was some talk about the mid-term appraisal of the Plan. We do not know about it. This is the way the Government looks at or interprets transparency mobilising the people informing the people and ensuring their participation!

Sir, Mr. Narayanasamy said a number of things while defending Policy. That is why I would first like to ask three questions about the National Telecom Policy. The first thing I would like to tell the Minister, before I come to the Policy-as such, is that plans were drawn as early as 1987 through the 'mission: better communication', 'objective — customer, satisfaction' to introduce all the tools and systems to effectively improve the services and to bring them on a par with the best internationally, improvements in that regard were required to be made. All these phrases come later on in the Telecom Policy also. I

understand, probably some improvements had started to appear sometime in 1988. But, what happened thereafter? I understand the Government had constituted a Telecom Commission. Can we know what has been the result of this particular document and subsequent infrastructure that they built? What has been achieved through that? Can we have an assessment? Why suddenly there was a transition to a new Telecom Policy from the Rajiv Gandhi regime to which even now daily lip-homage is paid? What happened to that? Why was suddenly a decent burial given to this and where is 'the mission: better communications'? Nobody hears of it any more. Strangely enough all improvements were promised. I would just refer to only to Annual Report. Against the target as envisaged of ten faults per hundred subscribers per month to be achieved by March 1990 and by March, 1995, figure reported for March 1994 in the Annual Report of the Department is 18.3. They were to be reduced to 5. They have gone up to 18.5. What exactly is the assessment. This is my first point for clarification.

Secondly, long back in 1987 or so, there was a proposal before the Government to reorganise six production units of ITI at Bangalore, Palghat, Rae Bareilly, Manakpur, Naini and Srinagar into three independent corporate units. Now, you talk of autonomy. What was done at that time was to form themselves into a strategic alliance with advanced groups. There would have also been a competition among these units and they could also have built alliances with the MNCs, if necessary, at that time on a corporate basis. Why was this not done and why was it shot down? This was the policy which was initiated earlier.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Just a minute Mr. Chaturvedi. Several hon. Members seek protection from the Chair. Today the Chair is seeking protection from the hon. Members. As no panel Vice-Chairman is available for relieving me,

SHRITRILOKI NATH CHATURVEDI: Mr. Ahluwalia is there.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): He is not the Panel Vice-Chairman.

So, may I have permission to ask somebody else to relieve me? I am requesting Mr. Sangh Priya Gautam.

SOME HON. MEMBERS: Yes.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): So, I have the permission of the House.

[The Vice-Chairman (Shri Sangh Priya Gautam): In the Chair]

SHRITRILOKI NATH CHATURVEDI: Mr. Vice-Chairman, Sir, the third thing which I would like to know is this. Since this policy was initiated sometime last year, 1994, more than one year has elapsed. The Government has not unveiled any specific steps for improving the quality of the service in the DOT. So far as the DOT is concerned, what exactly have they done to improve their performance.

Hardly a day passes when the Government does not talk of improvement in the services. But we also read daily in the English newspapers or vernacular newspapers almost the agony column about inflated telephone bills, long waiting queues, dead telephones and so on and so forth. Therefore, I would like to know from the Minister what steps are being taken to improve the telephone services to the customers by DOT.

Sir, coming to the National Telecom Policy, I am afraid, the background in which this was conceived, the way this was brought before the House itself shows that there was something to be hidden. As has been mentioned, this Policy has been hustled through because the Prime Minister had to go to the United States to meet the President of that country. The marks of that haste, duress, whether directly or indirectly, are there on that particular Policy.

So far as the Telecom Policy is concerned, some of the objectives are evidently quite laudable. But unfortunately what violates subsequently is more important. The Telecom guidelines for the entry of private sector were issued in September, 1994. Again this was done while the Minister was going to Kyoto. Why was this hurry? These guidelines were never brought before this House. It is also understood that these policy guidelines were actually approved not by the Cabinet but by the extra Constitutional authority which we always hear of it, that is, the Prime Minister's Office, who

are either elusive or present every where, whehter it is the decision about import of sugar or whether it is about this particular Policy. The third step was also not done in a proper form. In this particular guideline, I find that there is a talk of TRAI, Telegraphic Regulatory Authority of India. This is the first time that we have come across such a reference. Somehow or the other this Bill was withdrawn. There are some features of the guidelines I do not want to read them in full. I would just indicate very briefly the eligibility of companies, geographical area, operations, licensing authority and the area of licence in the pilot project. I do not want to repeat them because Mr. Nilotpal Basu has mentioned as to what kind of aberrations have been gone into these. Now, the scope of the Indian registered companies was enlarged for the first time, and this is what is important, to include joint ventures with foreign companies subject to the latter holding not more than 49 per cent equity. There is not reference at all about foreign companies in the original Policy.

The scope of Indian registered companies was enlarged or broadened deaptively and this exercise was not above board. For the first time this has been done. I will come to that a little later.

As I said, the members who accompanied the Minister have boasted that India had opened even the telephone services up to 49 per cent. That is why the figures which have been mentioned by Mr. Basu of fourgh participation in other become important. I do not want to repeat them because I was told about the constraint of time.

उपसभाध्यक्ष (श्री संघ प्रिय गौतम): आप बड़े अनुभव हैं। आपके बड़े अमूल्य विचार हैं। हम समझते हैं आप विस्तार से विचार दे सकते हैं। लेकिन मैं चाहूंगा कि सरकार का भी दृष्टिकोण इस पर आये इसलिए अच्छा हो कि आप सूक्ष्म हों कि आप सूक्ष्म में अपनी मूल्य बातें कह दें।

श्री त्रिलोकी नाथ चतुर्वेदी: वही करने की कोशिश कर रहा हूँ।

The third thing is about the timing of the release of this document few hours before his going to Kyoto. This speaks eloquently about this particular policy. Otherwise, there is not objection to the objectives of policy. There is another strange thing. Everything was repeated

in that Bill, now with drawn the statement of objects, etc. Only the security aspect was not at all referred to. This is, perhaps, because they took it to be axiomatic, they took it for granted and forgot it.

Now, I want to come to the question of the Public Telephone Service tender. This is the third document. The tender document inviting bids for grant of licences for operating the public telephone services by the private sector was finalised and released. When? A few hours before the United States Commerce Secretary Brown came with a high-powered delegation. Let this fact be disputed. Let the timing be disputed. It was released a few hours before Mr. Brown, with his delegation, arrived in this country. And about the tenders, I will have something more to say. The difficulty, as I said, is that the implementational strategy, the way they have gone around in implementing this policy, is not likely to fulfil any of the objectives, including raising of resources to fill the resource gap as was mentioned by Mr. Nilotpal Basu. I have a few comments about that. These tenders have introduced this concept of foreign companies and so on. That is a very queer thing. I will have something to say at length about one aspect of foreign participation. It is not known whether the intelligence agencies, the army and the defence services were consulted. I do not know whether they were consulted. Each of them has developed communication systems of its own. Were all these agencies consulted? This is, somehow, the question that really worried me. And I am saying that because I can say with authority and a sense of responsibility that in matters relating to GATT, the production and research wings of the Ministry of Defence or the Ministry of Science and Technology were not consulted. They themselves have related their woes in private. I am not sure thus even about the security aspect of telecom policy. Only yesterday, I read about the police, that training would also be imparted by foreigners. The hon. Minister had been a very distinguished police officer. I think that one of the oldest training centres is in India -- I do not want to digress at that particular point -- the Bureau of Police Research.....

(Interruptions).

श्री ईश दत्त यादव: उपसभाध्यक्ष जी, इस आसन पर मैं आपका स्वागत करता हूँ।

- उपसभाध्यक्ष (श्री संघ प्रिय गौतम): धन्यवाद।

श्री ईश दत्त यादव: मैं आपसे एक व्यवस्था चाहता था। समय कम है और बोलने वाले हम कई लोग हैं। सब के कुछ न कुछ विचार हैं। इसलिए मैं निवेदन कर रहा हूँ कि आप इसको समयबद्ध चलायें ताकि हम लोगों को भी दो-दो, चार-चार मिनट मिल जाएँ और मंत्री जी भी इस पर अपने विचार रख सकें। यह मेरा अनुरोध है और आपके माध्यम से माननीय सदस्य से भी मेरी यह रेकवेस्ट है।

श्री महेश्वर सिंह: उपसभाध्यक्ष महोदया, यह एक महत्वपूर्ण विषय है। जैसा कि अभी माननीय सदस्य ने कहा कि बहुत से सदस्य इस पर अपने विचार रखना चाहता है। साथ ही जो मंत्री हैं वह भी नहीं हैं। उनकी जगह पर ये जवाब दे देंगे लेकिन मुझे नहीं लगता कि इतने कम समय में इतना काम हो पाएगा। सब विस्तार से इस पर अपने विचार रखें, ऐसी सारे सदन की मंशा है। इसलिए आपकी अनुमति से यह चर्चा अगले सत्र तक के लिए बढ़ा देनी चाहिए। अगले सत्र में इसको किया जा सकता है। ...**(व्यवधान)**...पिछली बार इसी तरह का एक प्रस्ताव कन्टिन्चू किया गया था।

श्री महेश्वर सिंह: पिछली बार भी इस प्रकार की अनुमति दी गई थी।

उपसभाध्यक्ष (श्री संघ प्रिय गौतम): माननीय ईश दत्त यादव जी, आपकी अनुपस्थिति में मैंने स्वयं चतुर्वेदी जी से प्रार्थना की थी कि इस पर सरकार का दृष्टिकोण आ जाए। चूंकि यह संकल्प है इसलिए नियमानुसार यह अगले सत्र के लिए टाला नहीं जा सकता। यदि सदन की राय होगी तो इस पर विचार किया जा सकता है लेकिन जब चर्चा का अंत होने को होगा तब। सवां पांच बजे तक इस पर चर्चा हो सकती है। इसलिए संक्षेप में माननीय सदस्यगण अपने अमूल्य विचार रखें।

SHRI TRILOKI NATH CHATURVEDI: I would like to say two things about the tender documents. I would not like to take more time.

[T* Vice-Chairman (Shri V. Narayanasamy) in the Chair]

I just want to bring two facts about these tenders to the notice of the House and as requested by Mr. Ish Dutt Yadav, I would like to wind up very shortly and probably, when the Minister brings a comprehensive Bill, we may have an opportunity to discuss the matters again. The first thing is, the Government did its best to keep the tender beyond the reach of the general public. Is this transparency? I am

quoting from the document. "This document, including annexures, is meant only for genuine uses of the purchaser and circulation to others is prohibited." Why is its prohibited? If I am a research scholar in the Civil Communications systems and I want to compare the tender policies of the United States, Pakistan, India, Thailand or Indonesia, why should it be so? I have never seen this secrecy in a tender. Of course, it has been priced at Rs. one lakh which I can well understand. I don't mind that one lakh rupees. Even Enron had said that they would take Rs. 500/- for giving a copy of the contract to the newspaper people. I don't mind that. But this shows the ambivalent attitude of the people who are doing it. Obviously, the Press cannot afford Rs. one lakh and they will not ask for it. This was apparently to avoid any public discussion of the issue of vital national interest because the policy itself had been questioned in the Press and by the public at various levels.

The second thing, another very interesting thing is, how have the foreign companies been given preference? This is very important. The tender document, while ostensibly implementing the policy, in fact, made new policy. It has not only been elaborated, but it is a new policy and this is also behind the back of Parliament and the people in general. A joint venture with foreign company with a minimum of 10 per cent foreign equity and maximum of 49 per cent foreign equity, which was optional even as per the guidelines of September 1994 -- the guidelines had made it optional-now this tender makes it mandatory.

SHRI JAGESH DESAI: When were the tenders floated?

SHRI TRILOKI NATH CHATURVEDI: The tenders were floated in January 1995 when the U.S. Commerce Secretary, Brown, came to India. At that time, the tenders were floated. You inducted the private companies. I don't mind. Then they visited India and so on. I have no ideological hang-over private companies if they help in implementing your Telecom policy. Now, this was made mandatory in a very clever, ingenious way and also, I must say, in a dubious manner. See the stipulations. Now, the bidder should have experience as a service provider and a network operator of a public switched Telephone Network, with a minimum

subscriber base of five lakhs, in terms of DEL's BLF served as on 1.1.95. Secondly, the bidder must not be a Government company, as defined in the Indian Companies Act, as was mentioned by Mr. Nilotpal Basu. I can give the names of a number of Government companies from abroad, such as Telstar of Australia, PTT Guondong of China, Deutche Telecom of Germany, Bezec of Israel, NTT of Japan, Telecom Malaysia of Malaysia. Who are binding.

These are all the foreign companies. But our Government companies, i.e., ITI, BEL and the DOT itself could have gone in for it on a collaborative basis. Then it is stated: "The binder must not be a Government company as defined in the Companies Act" The experience of a promotor company, which has an equity of ten per cent or more, will be added to the experience of a bidder company! Total bidder company's experience, the holding company's experience will be added! Have you ever seen this level playing field. Mr. Vice-Chairman, the powers that you enjoy will be added to mine even if I am not invited to sit in your Chair! "The experience of a promotor company which has an equity of ten per ceat or more will be added to the experience of the bidder company." These foreign companies, both large and small, virtually got a green signal. What one sees is a spectacle of large business houses like Tatas Reliance, Birlas, etc., going round and wooing small companies all over the world pleading, you please come; Reliance, Birlas, etc. and all those who are representatives of industry are friends of the Government and they are also the guide of the Government in these matters, but even then they have to run helter-skelter all over the world to woo some small companies. Sir, the Parliament approval to the policy changes in the tender document, I think, is essential because you are making these changes in the policy. You only showed to us a particular document of policy, and in that, these changes were never discussed, and we only assume that they would be discussed later on.

Then, Sir, a number of things have been mentioned about the clarifications that were given later on. Though there are a lot of things to be said so far as this particular aspect of foreign participation is concerned, I do not want to go into all the details for the particular reason, as you mentioned, that they would be

discussed later. Again, I would like to say that all the six particular items, that you have mentioned as your objectives, will not be achieved the way you are trying to implement your Policy. It also appears true from the facts and figures which are culled out from the Government documents in the Government Departments. Not only that, I would also like to mention one thing more. The Policy says that we want to be the biggest nianufacturer ol telecom equipment in the country. That is what you want. What is the weightage given to indigenous equipment? Three per cent! Only three per cent! Now, is this the way that you want to take this country ahead for manufacturing this equipment? Sir, one has to .go into a lot of facts and figures, and, as I said, since Nilotpal Basu has spoken at great length, and in all fairness to other Members, I would like to stop at this particular point though I would have liked to mention a number of other things from the document, particularly from the analysis of the tenders and the analysis of the facts and figures of the revised Plan as have been given in the Telecom Policy, to justify my point. I think Nilotpal Basu is certainly right in saying, on a very firm ground, that this Telecom Policy will only enable the foreign companies to attract all those who really sustain the DoT, and then the DoT will also be under pressure. Their margin will reduce further which will affect even the ordinary telephone consumers in the country. So far as the Telecom Policy is concerned, it is going to have an inflationary effect. It is absolutely correct.

Sir, I would like to say another thing. The talk of modernisation, and so on and so forth has been going on in the country. Now the Mir'sler has said that he wants to bring a comprehensive Bill about thcTRAL. One would have liked to speak a lot about this, but the Bill through which all these policies ol 1994-95 will take us to the year 2000, was still sought to worked out on the basis ol the Telegraph Act or 1885. It is an Act of 1885. I hope the Minister will come forward with a comprehensive Bill not lo amend but replace the 1885 Act. We are going to the 21st ecntun There are a number of provisions which one would like lo mention including the punitive provisions which are against our Constitution I think this Telecom Policy and the way in which it is being implemented make the whoU

going to treat the public sector company like this? Then again it was clarified on 27th May that it is not a case of clarification. Once you debarred it from the very first day and then you gave clarifications from the very first day that if they came through some Indian company, then you would allow. Why can't they do it themselves? Why? What are the reasons? Please explain it to us. I am not convinced about this. Our policy is for competition and you want the public sector to be stopped from being in competition. You want that it should be with some other Indian company and through them they should come. I think this is not the policy of the Government. I think this is totally opposed to Government policy. You talk of market economy. Whether we like it or not, it is a policy and till it is not changed how can you say that public sector companies should not be allowed to make a bidding. I would like to ask this question. And this company has always been in profit. It has served our defence. It has served out nation. Why are BEL and ITI are debarred? I want this answer to be given. I do not want anything else. I want to make it very clear. As far as telecommunications is concerned, power is concerned, petrol is concerned, I do not mind foreign participation. But there should be a level playing field. The public sector should not be denied its rights. I think even preference should be given to the public sector. I do not think this is the policy of the Government. I would like the Minister to look into it again and whatever distortions are there, it must be removed so that the misunderstanding which is there in the minds of the people like me is removed because I had discussed with the ITI as I was the convener of a group of public sector undertakings. Recently two months back, we had gone there. Your Joint Secretary of Telecom Department was also present. We have seen everything. We have seen that type of defence and research work they are doing. We should encourage such companies. If you are describing them, I think that will be a bad thing for the public sector. I hope the Government will take this into account and modify the policy so that the public sector also should be allowed to play its role. I am not going to support the resolution. I have given my views and I hope the Government will consider this. The replies should be given to the queries that

I have raised and the Government should find out whether the DoT had asked them to deal with it or not. The ITI was always under the domain of the DoT and DoT asked them to expand the capacity and now they are starved of orders and you are importing even the equipment from abroad which is being manufactured by the ITI. It is available in rupee currency. The workers are working. They should not be deprived of their jobs. About 600 workers are sitting idle. I asked them why they were sitting idle. They said that they did not have any work because there were no orders. They say, "We have no orders." They sign the roll, and in the evening they go back. If that is the situation, the public sector is bound to go sick. And if you want to avoid that sickness, then you have to remedy these ills.

With these words,. Sir, I would like the hon. Minister to reply to my questions.

SHRI SATFISH AGARWAL: Mr.,Vicc-Chairman, Sir, there is a Short Duration Discussion.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): We have three minutes more. We have time up to S.13.

SHRI NILOTPAL BASU: Sir, this is a very important issue. Normally, the practice in the House is that a Private Member's Resolution is not carried forward to the next session....

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): We have to conclude this discussion by 5.13 p.m. Now, it is 5.10. So, kindly, don't be in a hurry.

श्री महेश्वर सिंह : यह बहुत महत्वपूर्ण विषय है यह एक मिनट में समाप्त होने वाला नहीं है इसलिए मेरा निवेदन है कि इसको आगे बढ़ा दिया जाए । (व्यवधान)

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): I will hear you only at 5.13.

Shri Ish Dutt Yadav.

श्री ईश दत्त यादव(उत्तर प्रदेश): उपसभाध्यक्ष महोदय,श्री नीलोत्पल बसु ने जिस संसकल्प को प्रस्तुत किया है नई संचार नीति के बारे में,में इसका समर्थन करता हूँ । यद्यपि इन्होंने दूर-संचार नीति के कुछ अंश का ही विराम किया है जैसा कि संकल्प को पढ़ने से लगता है लेकिन मैं पूरी दूर संचार नीति जो नई है इसके पक्ष में नहीं हूँ । करीब चार साल से अधिक हो गये नई आर्थिक नीति, नई शिक्षा नीति,नई दवा नीति और तमाम तरह की नई

