

Single Licence to Telecom Services

2939. SHRI N. R. GOVINDARAJAR: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether separate licences are given for telecom services including basic cellular, cable TV, DTH, Internet telephony, etc.;
- (b) if so, the details thereof;
- (c) whether Government proposes to introduce single licence in place of 17 types of services to make the process simple and minimize the bureaucratic interference;
- (d) if so, the details thereof;
- (e) whether the Telecom Regulator TRAI has approved the scheme; and
- (f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT): (a) and (b) Sir, presently Department of Telecom (DoT) issues various separate licences for telecom services which includes Unified Access Services (UAS), National Long Distance (NLD), International Long Distance (ILD), Global Mobile Personal Communication by Satellite (GMPCS), Internet Service Provider (ISP), Public Mobile Radio Trunking Services (PMRTS), Very Small Aperture Terminals (VSAT) etc.

(c) No, Sir.

(d) to (f) Do not arise in view of (c) above.

M&A Cases

2940. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether it is a fact that TRAI recommended that no Mergers and Acquisitions (M&A) cases would be entertained till rollout obligations were met *vide* its guidelines of 21 April, 2007;
- (b) if so, whether Government consulted the TRAI before deviating from these guidelines; and
- (c) if so, to what effect and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT): (a) to (c) TRAI, in its recommendations dated 28th

August, 2007 on "Review of license terms & conditions and capping of number of access providers" *inter-alia*, recommended that "Any proposal of permission of merger and acquisition should not be entertained till the roll out obligation is met".

Government accepted most of the recommendations of TRAI made on "Review of license terms & conditions and capping of number of access providers". However, as the Roll out for each licensed service area were done in two phases (completion of 1st Year & 3rd year from the effective date of the licences) which are dealt separately, therefore the Government, *inter-alia*, prescribed the following in the Guidelines dated 22.04.2008 for intra service area Merger of Cellular Mobile Telephone Service (CMTS)/Unified Access Service (UAS) Licences:

(i) Any permission for merger shall be accorded only after completion of 3 years from the effective date of the licences (which was a period for completion of 2nd phase of rollout obligation).

(ii) For regulating acquisitions of equity stake of one access services licensee Company/legal person/promoter company in the enterprise of another access services licensee in the same license area, present guidelines on Substantial Equity shall continue, i.e., "No single company/legal person, either directly or through its associates, shall have substantial equity holding in more than one LICENSEE Company in the same service area for the Access Services, namely, Basic, Cellular and Unified Access Service. 'Substantial equity' herein will mean 'an equity of 10% or more'. A promoter company/Legal person cannot have stakes in more than one LICENSEE Company for the same service area."

Further, to deny any out-right sale of equity by the promoters, the issue relating to lock-in-period for sale of promoter's equity of the UAS licensee company was under consideration of the DOT and the recommendations of Telecom Regulatory Authority of India (TRAI) were also sought on 24.11.2008 which was received on 12.03.2009. Accordingly, Government on 23.07.2009 issued amendments to UAS Licence agreements, as detailed below:

(i) There shall be a Lock-in-period for sale of equity of a person whose share capital is 10% or more in the UAS licensee company on the effective date of UAS licence and whose net-worth has been taken into consideration for determining the eligibility for grant of UAS license, till completion of three years from the effective date of the UAS or till fulfillment of all the rollout obligations under clause 34, whichever is earlier.

(ii) Issue of additional equity share capital by the UAS licensee company by way of private placement/public issues is permitted. However, such a person (on whom the Lock-in

condition applies as per para (i) above) shall not transfer in any manner such as sale, assignment etc., his share capital directly or indirectly to any other person during lock-in period, i.e., the invested amount in the shareholding by the equity holder shall not be reduced in any circumstances during the lock-in period.

- (iii) In case of issue of fresh equity, within the lock-in period the declaration of dividend and/or special dividend shall be barred.
- (iv) The provision of lock-in period shall not apply, in pursuance to enforcement of pledge by the lending financial institutions/banks in the event of defaults committed by the UAS licensee company.

Objections to Mobile Number Portability

2941. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that there have been objections from security agencies to implement Mobile Number Portability, on account of potential misuse by anti-national elements;

(b) if so, the details thereof, and

(c) the steps Government proposes to take to incorporate appropriate safeguards so as to make the mechanism foolproof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT): (a) and (b) Sir, the main security concerns of the Security Agencies with regard to implementation of Mobile Number Portability are seamless lawful interception of messages/ call related information in case the ported number is already under lawful interception.

(c) The views of Ministry of Home Affairs on porting process for numbers under lawful interception is awaited. Thereafter, necessary instructions regarding porting process for numbers under lawful interception shall be issued.

Withdrawal of Google Inc.s from China

2942. SHRI R. C. SINGH: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state in what manner Google Inc's threat of withdrawing from China over censorship help India to gain in IT, market and other services?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT): As per the National Association of Software and Services