

(c) how the proposal would benefit the consumer and meet the challenge from private players?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) No, Sir. There is no proposal of the Government.

(b) and (c) Do not arise in view of (a) above.

TRAI's broadband policy proposal

410. DR. T. SUBBARAMI REDDY: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Telecom Regulatory Authority of India has recommended a broadband policy proposal which would result in a spurt in broadband connections across the country;

(b) if so, whether the authority has finalized the recommendations and submitted to Government;

(c) if so, the details thereof;

(d) whether according to this new policy, favours have been shown to the existing connections; and

(e) if so, to what extent, new policy proposal has been accepted and the steps taken to implement it?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) and (b) Telecom Regulatory Authority of India (TRAI) have submitted the recommendations to the Government on accelerating growth of Internet and Broadband penetration.

(c) Details regarding the TRAI recommendations are given in the Statement (See below).

(d) and (e) The recommendations of Telecom Regulatory Authority of India on accelerating growth of Internet and Broadband penetration are under examination by the Government.

Statement

Details regarding the TRAI recommendations on accelerating growth of Internet and Broadband Penetration

1. Definition and goals:

- Broadband is an "An always-on data connection that is able to support various interactive services, and has the capability of a minimum download speed of 256 Kbps." This will be revised upwards in the future.
- India can achieve 20 million broadband and 40 million internet subscribers by 2010, which translate to penetration levels of 1.7% and 3.4% respectively. This is a bare minimum target and will need to be upgraded as progress is made.

2. Access to the customer in the last mile:

- Enabling the use of the existing infrastructure on the incumbents' copper to reach customers via Digital Subscriber Loop (DSL).
- Decreasing artificial costs in the operation of Direct to Home (DTH) and Very Small Aperture Terminal (VSAT) Platforms, while allowing broadband services to be offered via these technologies.
- Allowing terrestrial wireless solutions to spread more effectively as a means to reach customers with today's technologies, as well as those in the near future.
- Enabling right of way clearance systems to be further streamlined for both current and future build-out efforts.

3. Costs of backhaul networks:

- Allowing customers to realize the benefits of competition in domestic leased lines while compensating for the current lack of such competition in "within city" links.
- Identifying the steps that need to be taken to make National Internet Exchange of India (NIXI) effective and attractive for Internet Service Providers (ISPs) of all sizes to willingly participate.

4. Fiscal policies:

- Encouraging the availability of low cost access devices through depreciation, donation and recycling of used Personal Computers (PCs).
- Decreasing to the level of duties on mobile phones the current overall levels of duties for imported items used in broadband networks, and equalizing duties. Growth of Internet and Broadband on inputs and domestically manufactured goods with those that are imported.
- Providing the appropriate tax structure to enable faster growth, without the Government having to forego significant revenue.

5. Creation of content and applications:

- Outlining how the Government should proceed in being more aggressive in its efforts to create content and applications available online for interacting with citizens, and thereby serve as a leading example.

Market value of VSNL

†411. SHRI ISAM SINGH: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the market value of Videsh Sanchar Nigam Limited which was sold to private sector alongwith the selling price thereof;
- (b) whether Government have incurred revenue loss in this deal; and
- (c) if so, Government's viewpoint in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEELAHMAD): (a) Government sold 25% of the equity of VSNL in February 2002 in favour of M/s Panatone Finvest Ltd., a Tata Group Company, for a sum of Rs. 1439.25 crores. (7,12,50,000 shares at an average price of Rs. 202 per share). The closing price of VSNL shares in the National Stock Exchange on the date of receipt of the financial bid i.e. 01-02-2002 was Rs. 156.95 per share. The value of VSNL shares sold by Government to Panatone Finvest Ltd. at the closing price in NSE on 01-02-2002 works out to about Rs. 1118 crores.

(b) No, Sir.

(c) Does not arise in view of (b) above.

†Original notice of the question was received in Hindi.