

SHRI S. VIDHUTHALAI VIRUMBI: Sir, I have a small doubt. Sir, I understand that according to the judgement, the AICTE and the Government, i.e., the Government, Universities, and the commission, all the three, have got equal powers. After the Government, they put oblique in the judgement, then University, and then the committee, which is technical. All the three have equal powers; I think that is so, according to the judgement. But according to your version, I think it is only one agency. Please, clarify whether the Government and the Universities have got the same powers.

श्री सभापति: ठीक है, आप बैठिए?

### STATUTORY RESOLUTION

**Seeking Disapproval of the Indian Telegraph (Amendment)  
Ordinance, 2003 (No. 7 of 2003)  
and**

**The Indian Telegraph (Amendment) Bill, 2003**

MR. CHAIRMAN: Dr. T. Subbarami Reddy, not present. Dr. Dasari Narayana Rao.

श्री सभापति: रेड्डी जी, आप आ गए। आप तो वॉकआउट कर गए थे, बहुत जल्दी आ गए।

شری خان غفران زاہدی : آپ نے کہا ہے کہ کام کرتے رہو تو کام کر رہے ہیں۔

† श्री खान गुफरान जाहिदी (उत्तर प्रदेश): आपने कहा है कि काम करते रहो तो काम कर रहे हैं।

श्री सभापति: वह भी काम था?

شری خان غفران زاہدی : وہ بھی کام ہے۔

† श्री खान गुफरान जाहिदी: वह भी काम है।

DR. T. SUBBARAMI REDDY (Andhra Pradesh): Sir, I am always a positive and practical Member.

Sir, I move the following Resolution:—

"That the House disapproves the Indian Telegraphs (Amendment) Ordinance, 2003 (No. 7 of 2003 promulgated by the President on the 5th November, 2003."

†Transliteration of Urdu Speech.

Sir, here, I would like to mention that the contents of the Bill are good. The hon. Minister has proposed to have a fund for the universal services obligation, which is really welcome. But the only दुख की बात क्या है; what is the necessity to have the Ordinance? बार-बार कहने की क्या जरूरत है? This is the Bill which was actually, they say, introduced in the previous Parliament Session, but it could not be passed. Immediately, it was sent for Ordinance. We, the Congress Party, have expressed several times that there are several Bills which are not required to be promulgated through Ordinances. Ordinance should always be resorted to in emergency; when Government gets some benefit and when the people of India get some benefit. Only then, the Government must go for Ordinance. Therefore, we strongly object to have the Ordinance on such things. Therefore, we disapprove this.

My next point is regarding contents of the bill. It is said that it is deemed to have started by November 2002. So, I would like to know how much money the Ministry is going to raise for this Universal Service Obligation Fund, which is meant to give access to the rural areas and remote areas by giving the facility of telephone at reasonable rates.

Till today, how many villages in the country are without any telephone connection? I am talking of both mobile and landline phones. Mobile phones are much more important than landline phones. So, I would like to know as on today how many villages are without mobile and how many villages are without landline phones. What is the Government's line of action? If you go to other countries, almost 95 per cent of the country is covered with cellular phones and mobile phones. But, in our country, if you go a little away from main towns, cellular phones do not work. I call upon the Minister to use this money also in giving a sort of inter-connection to the operators because they must have the statutory obligation to provide minimum cellular facility to poor villages where it will be helpful to poor people. Once a company is having a business with a metro city, they must have the obligation to provide this facility to poor villages also.

The new telecom law must expressly state the following objectives: "Citizens of India are entitled to every variety of telecommunication and information service the technologists are making available anywhere else in the world at least to the extent occasioned by technologists and multiplicity of providers. That must specifically be consumer-centric. We

should provide for maximum consumer choice, guarantee of quality of service including damages for deficiency in service." So, here my submission is that if you see the difference between the qualities of telecom service between India and other countries, we need to improve substantially. Even in small countries like Sri Lanka, there is perfection in the quality of telecom system. In our country, even when some rains come or storm comes, the entire telecom system becomes totally interrupted. I now ask our good friend, Shri Arun Shourieji, who is really committed to have some new technologies, to make sure that quality of technology improves to the international standards.

My next question is regarding licensing, regulation and operation. They are three independent activities and should be separate from each other. The Minister will agree. But, at the same time, I would like to seek clarification how the Government is operating the licensing system, regulation system and operation system.

My last point is that we should promote entrepreneurs. We should promote and adopt latest technologies and system so that consumers could get the benefit of a variety of services. This also I want the Government to do. The law should have the system to promote best entrepreneurs with quality-minded people to see that consumers get the best results at least expenses. And, the last point is, there is a convergence of computers, telecommunications and broadcasting. Similarly, there is a convergence between mobile and fixed telephones because of repeated re-use of radio frequency spectrum in the access. I admit. So, I just request that the law should not provide for separate licence for fixed telephony and mobile telephony or radio paging or electronic commerce or internet, etc. The licence must be totally composite licence for all information services. Here, my submission is if you follow this composite system, there is a possibility of the better efficiency and better quality. So, in conclusion, what I call upon is: first, the Ordinance should be avoided or the hon. Minister must convince the House as to what was the need to have Ordinance route. What are the benefits that he is going to have by going through the Ordinance route?

Secondly, what is the programme of the Government for covering the entire country by telephone connections? Many villages are still without the telephone system. In States like Bihar, Madhya Pradesh, Rajasthan

and so many other States, there are still a number of villages which are without even the landline telephones. What is the time-frame, by which year, does the Government propose—just like you have a plan that by the year 2012, the entire country, every house must have electricity, this is what the Government says. ...to provide telephones in every village of India? Then, I would like to know by what year the mobile phones will be made available throughout the country? My third point is: have you been successful to create more range of wireless for providing the mobile phones? Sir, these are the things I wanted to raise. If anything else is there, I will raise again. Thank you, Sir.

**MR. CHAIRMAN:** Resolution moved. Now, Shri Arun Shourie to move the motion for consideration of the Indian Telegraph (Amendment) Bill, 2003.

**THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE):** Sir, I beg to move:

"That the Bill further to amend the Indian Telegraph Act, 1885, as passed by the Lok Sabha, be taken into consideration."

**MR. CHAIRMAN:** The Statutory Resolution and the Motion for consideration of Bill are now open for discussion.

**SHRI ARUN SHOURIE:** Sir, I am grateful to Mr. Subbarami Reddy for raising this very important issue.

**SHRI NILOTPAL BASU (West Bengal):** Sir, if the Minister speaks after everybody has spoken, then, I think we can save some time of the House.

**SHRI ARUN SHOURIE:** Sir, the procedure is that I should first make the introductory statement and cover these points so that there is no need for repetition of the same points by others also.

**MR. CHAIRMAN:** Let the Minister speak.

**SHRI ARUN SHOURIE:** Sir, the first point is on passing of the Ordinance, when the Bill had already been, in a sense, it was scheduled for the discussion last time. Sir, the regretful fact is that the bill was

scheduled for taking up for five consecutive days in the last session and it could not be taken up for circumstances which we need not go into because the House just adjourned everyday for five consecutive days and, at the same time, as Dr. Subbarami Reddy just said, money for this Fund is being collected, Sir, it is accruing to Government since April 1, 2002 and last year the figure, he asked for the figure. Rs. 1,653 crores and 61 lakhs were collected for this rural telephony. But, unfortunately, because the fund was not in existence, the Finance Ministry was able to make available only, as Shri Nilotpal Basu has argued many times in the House and emphasised also, Rs. 300 crores. This year, we expect that under this accrual, you see there is a rule that five per cent of the gross adjusted revenue of all telecom operators is to be taken away from them and they have to deposit it in the Universal Service Obligation Fund. That is how last year Rs. 1653 crores were accrued; this year we anticipate that Rs. 2203 crores will accrue. But, as you know, from the Budget, which you have sanctioned, only Rs. 100 crores had been made available for rural telephony. Because the Fund is not yet in existence and that is waiting, we were told by the competent authorities that till the Telegraph Act of 1885 is amended, the Fund cannot be constituted. It is for that reason that we have come to the House. Sir, it is true that the Bill had been referred to the Standing committee, but the matter has been gone into by the Speaker. Apart from this, I had long discussions with the Chairman of the Standing Committee, which has been most supportive—Shri Somnath Chatterjee has been most supportive of these objectives—and the Standing Committee has repeatedly been asking us, "please, hurry up, and, set up the fund". It was in pursuance of the desire of Members from all sides, and, for the objectives for which the Standing committee itself is urging the Government that the Ordinance was issued by the President. It is for that, Sir, we are now coming before you, before the House so that we can proceed with rural telephony in this regard, in many ways swiftly.

Sir, the fact is that today India is among one or two fastest growing telecom markets in the world. Sir, it is for the first time almost in any country, we are adding 1.3 million new subscribers for mobile telephony every month. This is the world record of which we can be greatly proud. Similarly, in the case of rural telephony, our achievements have been of world standards.

Sir, Dr. Subbarami Reddy wanted the figures. I will take one second to give the figures. We have, as far as the revenue villages are concerned, about 6,07,491 villages. Villages with VPTs are now over about 5,18,000. Of the remaining villages, while the figures seems large of about less than a lakh or so, the fact of the matter is that the depopulated villages, or, villages with a population of less than hundred are about 27,704. Villages, which are now in the grip of insurgency, or, naxalite-affected, are about 5,931. Villages, which are so remote that they can be covered only by satellite media, are about 25,668. so, the remaining villages are 30,588, including about 12,600 non-satellite based VPTs that have to be done by the BSNL. Sir, the focus of the Government is that apart from providing the satellite coverage as money becomes available, we must first concentrate on these 30,000 villages, and, really do that at a very swift rate.

Sir, many other points have been made here. You were reading out the fact of the objectives of the NPT Policy to make world-class services available at the least expensive rates. It is matter of great pride that today the rates in India have collapsed. You remember, just three years ago, four years ago, the cellular operators were charging about fourteen rupees a minute. Now, they are charging one rupee seventy paise a minute. And, Sir, at two to three cents a minute, we are the cheapest service provider in the world today in telecom sector, and, that is why this great extension is taking place.

Sir, it is true that the quality should be much better. But, we have also to see as to how much progress has been made. Sir, under the TRAI Act, which the Parliament has passed, the monitoring of quality, and, ensuring of standards in service provision is a responsibility of TRAI, and, therefore, they conduct the periodic surveys of quality of service by operators, and, they say, BSNL service on this count was not good, or, Airtel service on such and such count was good, or, not good. So, they give the complete account, and, that is broadcast, far and wide, through the media, on Internet and everywhere.

And, the real assurance of trying to get better quality services is to increase competition in the sector. It is because that the competition is there that everybody is trying to improve his services so that he can attract more customers. And, it is precisely to give an even greater speed

to this competition that we anticipated Dr. Subbarami Reddy's suggestions and, as you know, in very far-reaching decisions, the Prime Minister set up a Group of Ministers on the eight issues which we had identified as being issues that are today pending decisions. And, Mr. Jaswant Singh was made the Head of that Group of Ministers. Sir, we had very intensive discussions, and after a long process of consultation by TRAI, the Government adopted TRAI's recommendations in regard to, precisely what Dr. Reddy was saying of universal license, that any operator, using any technology, should be free to provide any service, after he pays the entry fee. On that, Sir, you will be very happy to know that swiftly we implemented the decision and cellular and fixed licenses have already been unified. What you said, mobile and fixed distinction should go. Now, we have announced that within six months, there will be a universal license and all sorts of distinctions will be erased because technology now enables you to provide every service but our licensing system had put people in silo. Now, you can do this; you cannot do this. Till two years ago, internet-telephony was illegal in India, and youngsters were being caught because they were using internet for telephony. Today, internet-telephony is legal. So also other things are being made in this way, and I am very happy what Dr. Reddy said is exactly what the Government is doing. Sir, one final point, and then I will sit down and that is Dr. Reddy rightly pointed out that what is the Government asked, what is the Government doing in regard to technology. That is a very vital question, because, in the end, there will be many disadvantages in providing fixed line service, because it is very expensive, shortage of cable is there and all sorts of things. Therefore, the real reach has to be wireless. It used to be the case that the wireless signal used to go, as Mr. Nilotpal Basu knows so well, only about 25-30 kilometers. By a research, which has been done-pioneering research was done within India-in IIT, Kanpur and IIT, Chennai, it is now possible to extend this signal up to 80 kilometers just by putting some towers and different devices. The technology available for the cordless, which we use at home, has been used to extend the range of this signal. So, once that is done, then, the whole jaal of wireless telephone can be spread over the entire country, and we will very soon achieve the objectives that were set up in the NTP, 1999. I am confident that the pace at which we are proceeding in telecom, well before 2007, which was the objective laid down in NTP, 1999, we will achieve those targets of tele-density, and this services will be available to consumers at much cheaper rates than

we anticipated in 1999. So, for that reasons, I commend the Bill to the House and I hope that we will have everybody's cooperation in this regard. Thank you.

*The questions were proposed.*

SHRI PRITHVIRAJ CHAVAN (Maharashtra): Thank you, Sir. Why we opposed the Ordinance was precisely because the Government continues its tinkering with the Indian Telegraph Act, 1985. A piecemeal legislation, not coming out with the holistic, comprehensive change in the law which is long overdue. Sir, this Indian Telegraph Act, 1985 is an archaic piece of legislation belonging to pre-independence India, colonial period, which was enacted with the sole purpose of helping the British Government to control, consolidate and perpetuate its rule over its Indian subjects. It was naturally completely in favour of the Government in order to rule its citizens. But, today, with the IT revolution sweeping us, it is time for a re-look at the comprehensive Telecom Law which the Government has, time and again, failed to do. It continues to bring piecemeal legislation. We have before us, Besides the IT Act, 1985 which we are amending today, we have before us the Convergence Bill, there is a TRAI Act, there is a Communication Commission being formed. We had Broadcasting Bill which has been given up now. I hope that the Government will now, at least, after this amendment is enacted, soon come out with a comprehensive legislation. Sir, the reason for this amendment comes, as the Minister has explained to us, from the new Telecom Policy of 1999, which has set out some targets and some goals for achieving higher tele-density. Section 6 of the NTP 1999 had talked about Universal Service Obligation. It was about providing access to all for basic telephone services at affordable and reasonable prices. What it meant was, telephone on demand and full coverage in rural areas by 2002. Obviously, that has not happened. It has not been fully achieved. It also talked about Internet connectivity at all district headquarters with high speed connection. Now, what is the position today? We had a rural tele-density of about 4 per cent. We had hoped that it would reach 4 per cent by 2010 and, today, I think the Minister has not given us figures, but the rural tele-density, today, is about 1.5 per cent as against the targets of national tele-density of 7 per cent by 2005 and 15 per cent by 2010. The Minister has told us that there are about 5.17 lakh rural telephones, village public telephones, but I would like to ask him



how many of them actually work. There was a programme for installing MARR (Multiple Access Rural Radio) some time back and, as you know, Sir, that whole system completely failed. The Government had promised that all MARR stations would be replaced. I would like to ask the Minister how many of these MARRs have actually been replaced and how many of 5.17 lakh villages that you claim have VPTs that actually work? Is there any continuous programme of monitoring if these telephones are really connected? Are they working or are they just boxes sitting there with no connectivity? Sir, when you talk about Universal Service Obligation, the Policy talks about universal access. Now, there is a difference between universal access and universal service. Universal access can be given by just providing a telephone box, a VPT (Village Public Telephone), that is all, but when you talk about Universal Service, we talk about complete telecom services like voice and data, high speed data, Internet and everything just besides plain speech. Are you talking about universal access or are you talking about universal service, full services to be available?

Sir when licenses were given to Basic Service Operators, Fixed Line Operators after the 1999 Policy under Section 4 of the ITA 1985, these licenses had stipulated certain conditions for rural penetration. They were told that they had to give rural connectivity in certain percentages, but it is well known that not one of them met its rural obligation and all of them got scot-free. They were not penalised, or if they were penalised, only marginal token penalties were imposed on them and all of them actually skimmed the rich urban markets and neglected the rural areas. Why did the Government delay? There was a provision in the NTP 1999 to provide Universal Service Levy, which had been collected. You started collecting levy from 1st April 2002. And, I think, you have given us the figures of Rs. 3600 crore, which has already been collected. But you have only made token provisions of Rs. 300 crores and Rs. 100 crores. Rupees 300 crores last year to BSNL as most of this money had come from BSNL, the national operator, the incumbent operator. You have given Rs. 100 crores this year to BSNL. If you could give Rs. 100 crores and Rs. 300 crores, why could you not give Rs. 3000 crores that BSNL has been asking for? Why did you have to wait for this Fund? The same logic that held true for Rs. 300 crores could have been true for Rs. 2000 crores. But anyway the Fund is being set up and I am happy.

Sir, there are certain provisions of the Bill. I will come to those specific provisions. The provision is that the entire levy that is collected will be credited to the Consolidated Fund of India and then by a law passed by this House, appropriations Law passed by this House, it will be made available to the Fund. Why do you have to go through the Consolidated Fund? Why cannot you create a separate fund on the lines of the Provident Fund or some other fund where levy is directly credited to that fund without having to come to Parliament? I know there is an argument about the parliamentary supervision of this money. But, I think, we are only delaying matters. Let the money directly go to a specific authority. You have already created a Fund which will have an administrator, or which will have some secretariat. Let that fund either give grants or give loans as per certain rules that you will formulate. The rules are very important. You have not told us how this Fund will be administered. I am particularly worried about one thing, how the Universal Service Obligation Fund will be utilised in different States. There are certain States in the country, which are backward. The telephone density is in a very very poor. There are no mobile telephones at all --Bihar, parts of Madhya Pradesh, Jharkhand and Chhatisgarh. There are many North-Eastern States and Kashmir, where the rural telephony is in a very poor shape. After the Funds are received, how are you going to allocate funds to the under developed areas? Who will get the priority? Please tell us how you are going to do that. Sir, I would even recommend to the Government that instead of creating a fund, it should create a Telecom Development Bank and empower the Bank to give grants and loans. Rather than leaving it to the Government to decide when the money will be given. What will happen is, all these funds will be credited to the Consolidated Fund; the Government will continue to use the money, but will be very stingy when giving it to BSNL and other operators who want it for rural purposes.

I plead with the Government again. There have been many Committees, Sir, there is a Group of Ministers, which Mr. Shourie has just referred to and there was a Committee under the chairmanship of a Member of this House, Mr. Fali S. Nariman. The Committee had also talked about many issues connecting with a Universal Telecom Law. They had talked about the duties and the obligations of service providers. Sir, that is a very important point, and I hope you will take care of all these issues

which have been raised by the Nariman Committee and also by the Group of Ministers, while formulating a comprehensive Telecom Bill.

Sir, there was also an issue raised by the Committee about intercepting the messages. The Indian Telegraph Act, 1985 has a provision which enables the Government to intercept the messages. There is a view that there is a need to have a separate legislation, apart from the Indian Telegraph Act, which deals with the security of the nation and what can be intercepted?

Sir, I will conclude by referring to the speech, made recently by the Minister of Telecom, which I found in the newspapers last week. He addressed the global Conference on Information Society in Geneva. I was happy to see his vision of the shape of things to come. What the information technology can do to the world. I am particularly impressed when he talked about six areas of concentration. The most important focus that the Minister had was on the use of IT for abolishing illiteracy, and I fully support that. He also had mentioned the four projects on which he wanted to concentrate. In that speech he had talked, firstly, about the use of IT, to abolish illiteracy. When you talk about a universal service being provided in rural areas, when you talk about the Internet being provided in rural areas, what is the point of providing the Internet if the people cannot read anything? Therefore, for abolishing illiteracy, using IT is a very important. He had also talked about 'Text-to-Voice and Voice-to-Text' software which is being developed in India, but I am not very happy about the progress made in Indian languages. And he had also talked about the new technology, which enables the wireless to reach 50-60 kms. There are certain new technologies in the data communication field, which allows the data to be wirelessly transported over larger distances. If your technology succeeds, if your vision succeeds, if your public funded R&D, that you are supervising, really succeeds, if your network with international community can get all these technologies to work, you may not need the wires to be laid down for connecting the rural areas. You have talked about five lakh kilometres of a huge network fibre-optic cables being laid in the country. Please tell us how many kilometres of these fibre-optic cables have actually been lighted up and how many of them are actually in service today. Therefore, while supporting your vision for the use of Information Technology to reach the remotest areas, I again, plead that while the

Fund is being sanctioned, please come with a comprehensive telecom law very soon.

**SHRI NILOTPAL BASU:** Thank you, Mr. Chairman, Sir. I think the Minister has come with a very limited purpose of having an enactment to create a USO Levy Fund. Now, though objective is unexceptionable, the fact is that I am personally, in some way, responsible for the Bill, in the sense that in the last three years I have been constantly raising the question of creating the USO Levy Fund. But I really can't support this Bill in a whole-hearted manner that I normally want to do. The reason is this.

**MR. CHAIRMAN:** So, you are supporting it half-heartedly. ठीक है। चलिए, चलिए।

**श्री नीलोत्पल बसु:** मंत्री जी का यह कहना कि पिछले सत्र में पांच दिन लगातार यह लिस्टिड हुआ था और बिल नहीं आ पाया था इसलिए हम आर्डिनेंस रूट पर गए। अगर हम यूएसओ लेवी फंड को लेकर सरकार का कार्यक्रम देखेंगे तो पायेंगे कि यह सच से परे है। Now, the National Telecom Policy of 1999 was formulated at a time when there was no regular Government. A care-taker Government was going on and subsequently it was laid on the Table of the House. The Minister has himself stated that this money is being collected from 2002. The notion of the USO Levy Fund was mooted in the National Telecom Policy and it was incumbent on any Government that came to power thereafter to create immediately the USO Levy Fund. But it did not do so; conveniently it did not do so. There was no Levy Fund for 2000. There was no Levy Fund for 2001. But revenue was being collected by all the telecom entities under the National Telecom Policy. So, I charge this Government for delaying the creation of the Levy Fund and taking away the money which would have otherwise legitimately belonged to the telecom sector and which could not be invested because of the absence or non-creation of the USO Levy Fund much earlier. Instead of citing just the last session and saying that unfortunately the House could not transact the business on this subject, and then using that as a plea for bringing this Bill through the Ordinance route, I have expected something more from my good friend, Shri Arun Shourie, who is normally so transparent. So, if we go into the historical evolution of the whole question of the USO Levy Fund, I think, the facts do not bear out the position of the Minister.

The Second reason why I can't wholeheartedly support this idea is this. Sir, when I came to this House-you may also be knowing that-Shri

Satish Agarwal used to sit this side and we were back benchers. I feel proud to refer to Shri Satish Agarwal. If I recall rightly, he was the Deputy Leader of the BJP group in the House and to the discomfiture of Pranab Da and all others, who use to occupy the Treasury Benches there, he tellingly brought out the fate of such special levies and such special cess funds which were created in the yester years by the Government of India. One of such funds was the Oil Cess Funds, which was created in 1971, and from 1971 that money is being collected and going to the Consolidated Fund of India. My good friend, Shri Dipankar Mukherjee, informs me that till last year a sum of Rs. 36,000 crores has been collected under the Oil Cess Fund and put into the Consolidated Fund to India. Nobody knows to what extent that Fund has been utilised for the development of the petroleum sector. Till today, the petroleum import bill constitutes a major part of our import expenditure. Now, therefore, my notion of the Consolidated Fund of India-people like Pranab Da will get angry with me-is some kind of a bottomless black hole from where, when money goes into, it rarely comes out and, more so, for the specific purpose for which that money is collected. So, what I would have ideally liked in this Bill was a clear-cut statutory provision whereby this money, which was being collected as USO Fund, would go directly to a separate fund, which could be administered by the USO Fund which this Bill intended to create. Otherwise, there is a problem because, for example, we do not know what happened between 1999 and 2001; where, ideally, monies should have been collected. So, that is the question. Then, will the Minister give a specific assurance before the House as to what will be the mechanism by which we can ensure that the monies collected under the USO Fund will, indeed, be totally and transparently transferred to the USO Fund which will be subsequently available for being used in the telecom sector, in such a manner, as to realise the objectives for which this Fund is being created? So, a specific assurance has to be given, and not only just an assurance, but also, at the same time, a transparent mechanism which will ensure this kind of transfer, has to be elaborated. I think that is very, very necessary.

Sir, I would have stopped at that. But fortunately or unfortunately, Mr. Reddy raised certain points and Mr. Shourie also responded, although he was really not obliged to do that. But he has raised certain issues. I will like to make certain brief observations about the other points which really

do not come under the absolute purview of this Bill, but they are important issues, nevertheless, to the telecom sector. So, I would like to make very briefly two or three points. Sir, I am aware of the time constraints of the House.

Now, Sir, I think it is that success bid which Mr. Shourie is talking about the fastest growing telecom sector and which also is coming so prominently in the 'Shining India' campaign that the Government has launched as a sort of a blitzkrieg and really taken the country for a ride. Now, for example, we note that the telecom sector is one sector where if you put in one dollar, you will get a return of three dollars. This is the International Telecom Union's study. Now, where I will put in that one dollar of the telecom sector, because with the kind of reforms that have taken place in the telecom sector, you will appreciate that with annually about Rs. 1,500 crores—which were coming to the Department of Telecom because there was no corporation; and they did not have to pay any taxes; there were waivers in terms of Sales Tax—they are now paying dividend; they are paying income-tax, they are paying corporation tax and that money is coming to the Consolidated Fund of India, which is really not available for the telecom sector. On the other hand, when you opened it up for private sector entities, if you look at their performance you will find that, without exception, all private sector entities in the telecom sector have moved away from the objectives of the National Telecom Policy in terms of overcoming the inequities that existed in terms of access to telecom facility. Sir, there is no penalisation. They are supposed to pay towards USO Fund which is to be used. Indeed, Mr. Prithviraj Chavan made a very valid point that after the framing of rules and the tabling of those rules in the House, not the whole House, then, the Subordinate Legislations Committee should properly see to it how this Fund will be administered, what the criteria will be, how people can access the Fund, because I am told that even the private sector companies, which normally are not going to rural areas, are staking their claim for access to that Fund. I do not know how far it is true. Perhaps, Mr. Shourie can answer this when he replies. But I am very, very sure that the rules have to be perfectly watertight. I do not ignore the role of the private sector in the building of this country. But, at the same time, I am of the belief that for a long, long time to come, infrastructure in this country will have to be public-funded, whether you like it or not. The fact is that today the individuals who are leading the

private sector, and who are giving big lectures in the CII events, but when it comes to really going to the rural areas, apart from the BSNL, no other entity is available to the Parliament, and we expect also more and we criticise also more, the BSNL comes for the flak for whatever failings they have. But, the fact remains that apart from the BSNL, there is no other entity.

**[THE DEPUTY CHAIRMAN in the Chair]**

I think, the whole question of reform process in this sector should recognise that fact that we are going in for indiscriminate privatisation of entities. But in a vital sector like telecom, what should be our approach to the whole question of privatisation of the BSNL? I think, the Minister must respond to it. Today, I sincerely believe if the BSNL is not there as a public sector entity, where the President of India has more than 50 per cent of the shares, I mean, we are in for a big trouble, given the track record of these private sector companies. Therefore, Madam, my point is that this whole policy change that is taking place—I am very much for a universal licence, not a unified licence, universal licence—should be technology neutral, it should be sector neutral, and it should be geographic local neutral. If you have a licence, you can provide everything. But, Madam, I had warned the Minister when we had the debate in this House on the communication sector earlier. The unfortunate problem with the Ministry of Communication has been that it has been mired in controversies, since the inception of the entire opening up process. Now, I don't think that the latest decision on this unified licence has covered the Ministry with any great degree of glory. Why am I saying this? We have this decision where we have penalised a private entity for breaking rules, for making use of the loopholes that were created by the Government, when they issued the licence. That is recognised. Now, they have to pay a penalty. But, at the same time, what we have done is post-facto legitimisation of their operations in terms of certain monetary considerations. Now, this is a very bad omen. I don't understand the difficulty in delaying the whole decision by six months, for example, which would require for the entire homework to be done for announcing a new Telecom Policy in terms of granting a universal licence. For example, Madam, the present Policy does not take into consideration the value of spectrum which is the community property of this great nation. The spectrum is finite. Now, the use of all these

technologies, whether it is CDMA, whether it is a GSM, would require the use of the spectrum. Now, we have a situation where the companies are not putting in infrastructure. I again challenge this huge growth in terms of a net increment to the number of mobile telephone sets working in this country, because you have a situation where if you go 10 kilometres outside the town area, there is a 'no network' sign coming up on your screen. This is because the companies are not putting in the infrastructure that is required to use the spectrum. The Minister is extremely well informed. I owe it to him, I mean, it is he who was pointing out to me the other day that the efficiency of the Chinese in terms of the usage of spectrum is in order of 32:1, as compared to our country. Now, spectrum is something which everybody value, but here in a licensing policy, there is no reference to spectrum.

#### **4.00 P.M.**

And the compensation which has been asked for by the private company whose illegal operations have been now legitimised, their compensation, is also not calculated on this basis of valuation of the spectrum. I am not speaking on the basis of any ideologically doctored position. What I am talking about is, the world over, certain accepted international practice is being pursued in the telecom sector. The spectrum is something which is finite, which is the national property of the country. Therefore, you have to have a valuation of the spectrum on the basis of that. Lately, unified licences were issued. The TRAI made a calculation that they have to pay the difference between what they had paid earlier and the bid which was put in when the fourth operator was finalised. This is absolutely arbitrary. This doesn't have any policy reviewing. It doesn't have the right kind of reference to the spectrum availability and the spectrum usage. Without that, it is only arbitrary, and it leaves us with a sense of discomfort. Perhaps, the decision has been managed; perhaps, there has been lobbying.

Madam, I have been speaking on this area for the last ten years. Those old Members should be knowing. I was equally opposed to the migration package and the manner in which the Government arrived at the migration package in 1999, allowing a sort of loot for the cellular operators, particularly, those pertaining to the metro areas in the name of ameliorating their conditions and to draw them out of the so-called sickness, because there was no sick company at that point of time, and



at the cost of the public exchequer, money had been really relinquished by the Government and everybody prospered. So, I think, this is one area where transparency is very, very much needed, because we really need telephony in the rural areas.

The fact of the matter is, the BSNL is in an extremely difficult condition. The financial results were announced. Yesterday, we passed the Appropriation Bill. Rs. 2,300 crores is the loss of the BSNL, which is on account of only the rural telephony operations. Therefore, my point is that we have to have a proper policy where the BSNL will not starve of funds needed to improve the operations in the telecom. It is not just for 30,000, or 50,000, or one lakh; that is not the issue. Quality of service means, you have to actually ensure proper quality of service in the rural areas.

Madam, I personally work with an organisation which is active in the area of rural telephony. There are a lot of technical issues which are related to the availability of infrastructure that really needs to be upgraded. To put it most politely, there is a lot of room for improvement. So, the BSNL needs that kind of management. I have no illusion as far as the private companies are concerned; I don't say that they will not go to the rural areas. Surely they will go in the rural areas, maybe at a later stage. But they will go only when the BSNL creates a proper market and when they find that it is lucrative and profit-making. Then, maybe, 7-8 years or 10 years hence, they may go there. But till that time, the BSNL has to play a promotional and developmental role, and for this, an absolute assurance must be there from the Parliament, through the Government to the BSNL, that it will not be starved of funds. Therefore, this USO rule framing should ensure this process and the transfer of funds to the BSNL. At the same time, with the huge money that the Government is accruing, or is going to accrue, in terms of licences, in terms in all other earnings that it makes, a liberal Budgetary support must be there for the BSNL.

This is absolutely essential. Otherwise, as I said yesterday in the context of the discussion on the economy, India may shine but it will light up only a few faces in the city areas and rest of the country will be enveloped in an ever, ever incidental darkness. So, we need to light up the whole of India. If we have to do that, we have to really support the rural telecom expansion programme of the BSNL where something more than what this Bill intends to do has to be done. Thank you.

THE DEPUTY CHAIRMAN: Mr. Kamaraj.

\*SHRI R. KAMARAJ (Tamil Nadu): Madam, Deputy Chairperson, on behalf of AIADMK, I wish to make a few points on the Indian Telegraph (Amendment) Bill, 2003. The purpose of this Amendment is to increase the tele density in the rural and remote areas of the country at an affordable price. But the amending clause 2 sub-clause (1) states, 'Fund means the Universal Service Obligation Fund.' Since the very purpose of this Bill is to provide telephone connection to 2.9 lakh villages in the country, naming the fund as Universal Service Obligation Fund is not proper. Universal would mean that this scheme is meant for one and all. Therefore, I request the Hon'ble Minister to reconsider and name it Rural Service Obligation Fund.

Madam, it is not possible to implement this scheme by collecting 5% of the revenues earned by the operators under various licenses as recommended by the Telecom Regulatory Authority of India. The increasing population will demand more connections in the years ahead. It is difficult to implement this without fixing a target year. I think it would be better if the Government provides the entire fund as grant so that the scheme is not delayed. I appeal to the Hon'ble Minister not to delay it any further. The very fact that the Government has proposed to collect 5% of the revenue earned by urban operators for this fund shows the indifference of the Centre towards this scheme. I am pained to say that though a policy decision was taken to implement this scheme, no action was taken during the period between 1999 to 2003.

Madam, we have seen that the conditional Access System could not be successfully implemented because the states were not consulted. Any scheme that is meant to benefit the people at large ought to be implemented in cooperation with the State Governments. This scheme also needs such consultation with the states for a total implementation. The New Telecom Policy of 1999 stated that telephone connectivity to the backward areas, internet connections to all the district headquarters and telephone on demand would be provided in both rural and urban areas by 2002. But this has not happened as expected. I appeal to the Hon'ble Minister to implement the declarations without delay.

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\*English Translation of the Original Speech delivered in Tamil.

Madam, under the able leadership of the Hon'ble Chief Minister of Tamilnadu, Dr. Puratchi Thalaivi Amma, Tamilnadu is in the forefront of Information Technology utilities in the country. Government offices at the Taluk level are being computerised in the state. Steps are being taken to expand this further. I am happy to say this in this House. As I conclude, I once again appeal to the Hon'ble Minister to rename the fund as Rural Service Obligation Fund. Thank you.

### MATTERS RAISED WITH PERMISSION OF THE CHAIR RE. ATTACK ON THE OFFICES OF ZEE AND ALFA NEWS IN MUMBAI

श्री राजीव शुक्ल (उत्तर प्रदेश): मैडम, इससे पहले की अरेंजमेंट्स हो... (व्यवधान)...

SHRI PREM CHAND GUPTA (Bihar): Madam, before arrangements are made for translation, I would like to submit that I have given a notice to raise the issue of attack on Zee TV in Mumbai... (*Interruptions*)...

THE DEPUTY CHAIRMAN: The arrangements have already been made.

श्री राजीव शुक्ल: जी टीवी के मुम्बई दफ्तर पर हमला हुआ है।

श्री प्रेम गुप्ता: उपसभापति महोदया चैयरमैन साहब को हमने बताया था कि आज जी टीवी के मुम्बई दफ्तर पर हमला हुआ। कुछ असामाजिक तत्वों ने वहां तोड़ फोड़ की।

उपसभापति: यह डिस्कशन के बीच में अच्छा नहीं लगता।

श्री प्रेम गुप्ता: वहां मार-पिटई हुई और लूट की। अगर यह होगा तो आप यह बताइए कि यह देश कैसे चलेगा।

उपसभापति: जब तक डिस्कशन पूरा नहीं हो और बीच में कोई बात उठाते हैं तो यह उनके साथ नाईसाफी होती है। वे बोल लें फिर डिस्कशन।

श्री राजीव शुक्ल: मैडम, हाफ एण्ड एक ओवर डिस्कशन।

उपसभापति: नो, नोटिस में ले लिया है।

श्री प्रेम गुप्ता: जो घटना हुई है... (व्यवधान)...

उपसभापति: अगर आप इस पर बोलना चाहते हैं, इसके खत्म होने के बाद बोल सकते हैं। इसे आप हाउस के नोटिस में लाए हैं, इस बीच सरकार भी थोड़ा पता लगा लेगी कि क्या हुआ क्योंकि उन्हें मालूम होना चाहिए कि क्या हुआ है। ठीक है।