

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA
UNSTARRED QUESTION NO. 3364
TO BE ANSWERED ON 9TH AUGUST, 2023**

FLOOR PRICE ON TELECOM TARIFFS

3364. SHRI MARGANI BHARAT:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether it is true that requests have been made to the Government to introduce a floor price on telecom tariffs to improve the financial viability of telecom companies;
- (b) if so, the details thereof;
- (c) whether the Government proposes to introduce floor price on telecom tariffs;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether the Government proposes to take any steps to improve the financial viability of telecom companies; and
- (f) if so, the details thereof and if not, the reasons therefor?

ANSWER

**MINISTER OF STATE FOR COMMUNICATIONS
(SHRI DEVUSINH CHAUHAN)**

(a) to (f) In 2019, representations were received from the Telecom Service Providers (TSPs) regarding various issues, inter alia, including demand from some of the TSPs seeking floor tariff fixation by the regulator/Government.

As per the existing tariff framework, tariff for telecommunication service is under forbearance except for services such as National Roaming, rural fixed line services, mobile number portability, leased circuits and USSD. Subject to compliance to extant regulatory provisions, service providers have the flexibility to decide various tariff components including recharge value for different service areas of their operation.

Government has undertaken various structural and procedural reforms in the telecom sector in last 9 years to promote healthy competition, protect interests of consumers, infuse liquidity, encourage investment and reduce regulatory burden on Telecom Service Providers (TSPs). They are as below:

- (i) Rationalization of Definition of Adjusted Gross Revenue.
- (ii) Rationalization of Bank Guarantees.

- (iii) Rationalization of Interest rates and removal of Penalties for delayed payments of License Fee (LF)/spectrum Usage Charge (SUC).
- (iv) For spectrum auction held after 15.09.2021, Telecom Service Providers (TSPs) are not required to submit Bank Guarantees to securitize spectrum auction installment payments.
- (v) Removal of levy of Spectrum Usage Charges (SUC) on the spectrum to be acquired in future auctions.
- (vi) Removal of additional Spectrum Usage charge of 0.5% on Spectrum sharing.
- (vii) Permission for 100% Foreign Direct Investment (FDI) in telecom sector under automatic route subject to safeguards.
- (viii) Moratorium/Deferment up to four years in annual payments of dues arising out of the AGR judgment and spectrum purchased in past auctions.
- (ix) Launch of PM Gati Shakti Sanchar Portal for centralized Right of Way (RoW) approvals, providing a single interface between all stakeholders including Central and State/UT Government(s), Local Bodies and Service Providers.
- (x) To facilitate faster and easier deployment of telecom infrastructure, Government has amended the Indian Telegraph Right of Way Rules (RoW), 2016 on 17th August 2022. These amendments pave the way for deployment of 5G small cells and optical fibre cable on existing street infrastructure and also rationalize the fees and charges paid by the telecom licensees for the RoW permissions.
- (xi) Simplification of Standing Advisory Committee on Radio Frequency Allocation (SACFA) clearance process for installing telecom towers.
