

Excerpts from the Report of the Parliamentary Committee on Public Undertakings.

5.8 On a query regarding whether the telecommunication is a strategic sector, the Department of Telecommunications in a written reply to the DPE submitted as under:

'As per the information furnished by Ministry of Communications, Department of Telecommunications, the PSUs have played a pre-eminent role in provision of telecom services in the country, particularly in rural, remote, backward and hilly areas. Contribution of BSNL and MTNL to broadband penetration in the country is significant. The importance of PSU in meeting the strategic and security needs of the nation can also not be understated. The PSUs also play a key role in balancing market forces in the interest of consumer. Even belated entry in mobile services in 2002, it resulted into a substantial reduction in tariff offered by private operators thus demonstrating the ability of the PSUs to balance the market forces in the interest of consumers. Presence of PSUs like BSNL and MTNL enhances the Government capabilities to facilitate in matters of national security/natural calamity or international importance, including execution of bilateral projects funded by Government of India. It serves security needs in areas of strife and conflict and is also the principal vehicles for fulfilling the socio-economic obligations of Government by implementing projects of national importance for Government. Government can also provide vital support for domestic manufacturing of Indian Telecom Products through/within Telecom PSUs for deployment of indigenously developed Telecom products with Indian IPR. PSUs serves security needs in areas of conflict and is also the principal vehicles for fulfilling the socio-economic obligations of Government by implementing projects of national importance for Government like BharatNet.'.....