

articles, which are supplemented by more than one delivery in a large number of urban Post Offices, having regard to the volume of articles and the time of their receipt.

In the matter of all mail transmission, the Department's policy is to gradually introduce automated systems in the large nodal Centres for speedy and effective mail processing. The first step in this direction has been taken with the setting up of the automated mail processing Centres at Mumbai and Chennai respectively.

The department is also pursuing the policy of optimising the benefits of the Post Office as an outlet of social distribution system by performing a variety of agency functions like small savings schemes of the Government, payment of pension for Railway Pensioners and Coal Miners, as also operation of the Postal Life Insurance Organisation.

The Department's policy of modernising the Postal service lays emphasis on counter services where application of computer based technology is aimed at achieving greater customer satisfaction through more efficient and responsive counter service and enhancing employee motivation through improved work-environment. Provision of new value-added services for the business/professional segment of customers is also in focus for optimising the upgraded retailing capacity of modernised Postal counters. Computer based technologies are also being introduced in other areas of activity like financial services, PLI, inventory control and Speed Post Service.

The Department's policy of modernisation through induction of new technology is being achieved on the basis of an extensive training programme aimed at upgrading the skills of its employees.

The Department is also seeking to segment its areas of activities catering for business and commercial sector and those for meeting universal service obligation with a view to improving quality of service and generation of revenue.

[Translation]

#### Compensation to Victims of Air Crashes

\*317. SHRIMATI BHAVNA BEN DEVRAJ BHAI  
CHIKHALIA :  
DR. C. SILVERA :

Will the Minister of CIVIL AVIATION be pleased to state :

(a) the number of claims relating to the compensation to the victims of air crashes during the period from January, 1995 to November, 1996 settled by the Government;

(b) the number and details of the claims pending settlement;

(c) the time from which these are pending;

(d) the reasons for delay in disposal of these claims

(e) the steps proposed to be taken for expeditious settlement of pending claims; and

(f) the details of the specific steps taken by the Government to provide financial assistance to the families of the deceased in the recent mid-air collision on November 12, 1996?

THE MINISTER OF CIVIL AVIATION AND MINISTER OF INFORMATION AND BROADCASTING (SHRI C.M. IBRAHIM) : (a) to (f). A statement is laid on the Table of the House.

(a) to (f). As per the Carriage by Air Act, 1972 the concerned carrier airlines has to settle claims of compensation of air crash victims. However, as regards recent accident of 12th November, 1996, the Government has decided to set up a cell to render legal assistance to the next of kin of victims of the accident with a view to ensure smooth and speedy settlement of compensation claims.

[English]

#### Increase in Production Cost of Steel

\*318. SHRI UTTAMSINGH PAWAR : Will the Minister of STEEL be pleased to state :

(a) whether the cost of steel production has increased during the last six months;

(b) if so, the extent to which it has increased;

(c) the factors responsible therefor;

(d) whether SAIL, TISCO and other steel plants have been adversely affected on account of increase in power tariff, petroleum prices and 10% cut in customs duty on steel items;

(e) if so, the details thereof;

(f) the remedial measures taken or proposed to be taken to enable the steel industry to face the global competition;

(g) whether a number of mini-steel plants have also been closed due to high cost input;

(h) if so, the details thereof; and

(i) the remedial measures proposed to be taken in this regard?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA) : (a) to (f). The cost of production of steel primarily depends upon prices of inputs such as iron ore, coal, steel scrap and energy, costs of freight and labour and financial charges. Some elements of the cost of steel production like coal, power tariff, petroleum products, railway freight, etc. have become costlier since 01/4/96.

In the case of SAIL, the cost of production (before depreciation & interest) per tonne of crude steel has increased by about 10% due to increase in the prices

of indigenous coal, petroleum products, power supplied by the State Electricity Boards and impact of Railway and Central Budgets.

In the case of TISCO, the production cost has increased by 2.05% over the average production cost of 1995-96, due to recent increase in prices of petroleum products and Railway freight.

Apart from the cost of production, the competitiveness of Indian steel in the international market will be determined by factors such as international prices, freight costs, exchange rate of rupee, production costs in other countries, etc. These factors are usually dynamic and change frequently.

SAIL is taking following measures on continuous basis to face the global competition :

- Modernisation and technological upgradation of its plants. -
- Increasing capacity utilisation.
- Improving productivity.
- Introducing energy conservation measures.
- Improving availability of equipment through effective maintenance.
- Improving product-mix, making value added items and meeting customer's requirements.
- Reduction in consumption of coke, energy, stores & spares, etc.

(g) to (i). As per available information, presently there are 183 Small Electric Arc Furnace Units in the country representing total capacity of about 8.44 million tonnes. out of these, as on 30/9/96, 87 units, representing a capacity of approximately 2.4 million tonnes are reported to be closed due to various factors like higher power tariffs, obsolete technology, uneconomical cost of production, etc.

The basic import duty on carbon steel melting scrap, which is an input material for Electric Arc Furnace Units, continues to be low at 5% since 1994-95. The import duty on graphite electrodes, used by these units, has also been reduced from 40% to 25% in the budget for 1996-97. In addition, Ministry of Steel has advised the State Governments to consider the supply of uninterrupted power supply to these units at concessional rates.

#### Konkan Railway Project

\*319. DR. M. JAGANNATH :

SHRI AYYANNA PATRUDU :

Will the Minister of RAILWAYS be pleased to state:

(a) the amount released so far by the Government for the completion of Konkan Railway Project;

(b) the amount proposed to be released by the Central Government to complete the project;

(c) whether it is also a fact that the cost of the project has been revised five times;

(d) if so, the reasons therefor;

(e) the sources of funds mobilisation for the above project; and

(f) the steps being taken to accelerate its early completion?

THE MINISTER OF RAILWAYS (SHRI RAM VILAS PASWAN) : (a) Ministry of Railways and the participating State Govts. have released the following funds upto-date :

	<i>Rs. in crs.</i>
Ministry of Railways	306.00
Govt. of Maharashtra	132.00
Govt. of Goa	34.00
Govt. of Karnataka	90.00
Govt. of Kerala	36.00
<b>Total</b>	<b>598.00</b>

(b) No further amounts are proposed to be released from Central Government at present.

(c) The project cost has been revised twice.

(d) The main reasons for escalation of cost are:

(i) Inflation due to passage of time.

(ii) Additional expenditure required due to increased scope of works in tunnels and protection works and implementation of recommendations of Oza Committee in Goa sector of the project.

(iii) Adoption of present day standards of construction, as compared to the original provision.

(iv) Additional financing costs due to delay in completion of the project.

(e) Funds totalling to Rs. 2780 crs. have been mobilised through Equity form Central and 4 State Govts., 10.5% Tax Free Bonds, Sale and Lease Back of Assets, External Commercial Borrowings and other sources and Foreign Currency Loan for Equipment Purchases.

(f) Effective steps have been initiated to achieve the progress of works in critical soil tunnels by means of deployment of imported machinery for dewatering, soil stabilisation etc. and giving a thrust on other works for early completion.

#### Targets for Earning Foreign Exchange

\*320. SHRI K.P. SINGH DEO : Will the Minister of TOURISM be pleased to state :

(a) the targets fixed for the earning of foreign exchange from tourism during Eighth Five Year Plan; and