

CHAPTER I

REPORT

This Report of the Standing Committee on Information Technology deals with action taken by Government on the recommendations/ observations of the Committee contained in their Forty-Fourth Report (Fourteenth Lok Sabha) on Demands for Grants (2007-2008) pertaining to the Department of Telecommunications (DoT).

2. The Forty-Fourth Report was presented to Lok Sabha on 27 April, 2007 and was also laid on the Table of Rajya Sabha on the same day. It contained 40 recommendations/observations.

3. Action Taken Notes in respect of all the recommendations/ observations contained in the Report have been received and categorised as under:—

- (i) Recommendations/Observations which have been accepted by the Government:

Para Nos:— 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 36, 37, 38 and 40

(Total : 32)

(Chapter II)

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the reply of the Government:

Para No:— 28 and 39

(Total : 02)

(Chapter III)

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Para No:— 31, 32, 33, 34 and 35

(Total : 05)

(Chapter IV)

- (iv) Recommendations/Observations in respect of which replies are of interim nature:

Para Nos:— 12

(Total : 01)

(Chapter V)

4. The Committee trust that utmost importance would be given to the implementation of the recommendations/observations accepted by the Government. In cases, where it is not possible for the Department to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee further desire that Action Taken Notes on the recommendation/observations contained in Chapter-I and final action taken replies to the recommendations contained in Chapter-V of this Report should be furnished to them at an early date.

5. The Committee will now deal with action taken by the Government on some of their recommendations.

I. PERFORMANCE OF PRIVATE SERVICE PROVIDERS IN THE PROVISION OF RURAL TELEPHONY

Recommendation (Para No. 5)

6. In their Forty-Fourth Report the Committee had observed that no segregated data was being maintained by the Private Service Providers to indicate the number of telephones provided by them in rural areas out of the overall 424.38 lakh telephones provided by them. The Committee had further observed that with the advent of the Universal Access Services Licence regime, the obligation on Private Service Providers to provide rural telephones had ceased to exist and the Committee were obviously apprehensive about the Private sectors' performance in rural areas in view of the non-maintenance of segregated data and their performance during the pre-UASL era. They, had, therefore, impressed upon the Department to find out effective ways and means to make Private Service Providers accountable in rural and remote areas.

7. The Department in their action taken note have stated as follows:—

“(i) For the scheme of rural lines launched by USO Fund in March 2005 there has been active participation by all the telecom service providers including Private Service Providers. Agreements were signed with M/s Bharat Sanchar Nigam Limited, M/s Reliance India Limited, M/s Tata Tele Services Limited and M/s Tata Tele Services Limited (MH) for providing subsidy support for installation of individual rural household Direct Exchange Lines (RDELs) in the country. The share of SDCAs amongst these companies were 1267, 203, 172 and 43 respectively. About 25,64,577 RDELs were

provided during the validity period of the scheme *i.e.* during 01.4.2005 to 31.3.2007. The number of rural lines provided by these service providers is given below:

M/s BSNL	:	8,91,306
M/s RIL	:	7,37,207
M/s TTL	:	7,26,915
M/s ITI (MH)	:	2,09,149

(ii) Similarly, in the recently launched Scheme of shared Rural Mobile Services, Private Service Providers have participated actively. Out of the total 243 bids declared successful for Part-B of the Scheme (3 service providers sharing the towers in each of the 81 clusters), the share of various service providers is given below:—

Sl.No.	Group/ Company	Name of Bidder	Total No. of Clusters for which successful
1.	Hutch	Aircel Digilink India Ltd.	7
		Fascel Ltd.	1
		Hutchison Essar Cellular Ltd.	10
		Hutchison Essar South Ltd.	14
		Total	32
2.	Dishnet	Aircel Ltd.	3
		Dishnet Wireless Ltd.	16
		Total	19
3.	BSNL	Bharat Sanchar Nigam Ltd.	59
4.	Bharti	Bharti Airtel Ltd.	10
		Bharti Hexacom Ltd.	3
		Total	13
5.	Idea	BTA Cellcom Ltd.	12
		Idea Cellular Ltd. (Idea)	12
		Idea Mobile Communications Ltd.	3
		Total	27
6.	Reliance	Reliance Communications Ltd.	53
		Reliance Telecom Ltd.	40
		Total	93
		Grand Total	243"

8. The Committee observe that under the Universal Service Support Policy Scheme, the share of Short Distance Charging Areas (SDCAs) for provision of rural telephony was 1267 for BSNL, 203 for Reliance industries Ltd., 172 for Tata Telecommunications Ltd. and 43 for Tata Telecommunications Ltd. (Maharashtra). The Committee also find that during the validity period of the Scheme *i.e.* from April, 2005 to 31 March, 2007, BSNL provided 8,91,306 RDELs. Similarly, the three Private Service Providers were able to provide 7,37,207; 7,26,915; and 2,09,149 Rural Direct Exchange Lines (RDELs) respectively. However, it is not clear from the replies furnished to the Committee as to whether the RDELs provided by BSNL as well as the private service providers are commensurate with the respective of SDCAs earmarked for them during the Scheme period. In case there are any shortcomings/aberrations in this regard, the Committee desire that the Department of Telecommunication should take corrective measures accordingly.

9. The Committee also desire that the Department should ensure that the active participation of the private service providers in the bidding process of the recently launched scheme of shared Rural Mobile Services results in effective provision of mobile services in the rural areas.

II. PHYSICAL TARGETS AND ACHIEVEMENT IN THE NORTH-EAST REGION AND TRIBAL SUB-PLAN (TSP) AREAS

Recommendation (Para No. 26)

10. Acknowledging the services rendered by BSNL in the North-East Region and TSP areas despite the difficult geography and topography position of these areas, the Committee in their earlier Report had impressed upon BSNL to look into the reasons for shortfalls in the achievement of physical targets in these areas and take corrective measures accordingly.

11. In reply, the Department of Telecommunications have furnished two statements showing the target and achievement in the North-East Region during the year 2006-2007 and in the TSP areas during the Tenth Plan period (Annexures 'A' & 'B' respectively). The Department have further stated that achievement for DELs, VPTs and OFC has exceeded the targets for the North-East Region. Similarly, in the TSP areas all the physical targets have been achieved except those for VPTs and Microwave. The Department have further stated that the development of North-East Region and TSP areas is a priority area and steps will be taken to achieve the annual as well as the Five Year Plan targets there.

12. The Committee note from the information furnished to them that during the year 2006-2007 *i.e.* the last year of the Tenth Plan period, the target in VPTs for the North-East Region was 3,725 whereas the achievement has been 3,481 leaving a marginal shortfall of 244 VPTs. This is in contrast to the Department's claim that achievement in VPTs during the Tenth Plan period has exceeded the targets fixed as no details for the entire Plan period with regard to North East Region have been furnished to the Committee. So far as provision of VPTs in the Tribal Sub Plan Areas is concerned, the Committee express their displeasure to find that against the Tenth Plan target of 26857 VPTs, only 5344 VPTs could be provided in the TSP areas. The Committee acknowledge the topographical and other constraints experienced by BSNL in the provision of telecommunication facilities in the North East Region and TSP areas. But since development of telecommunication facilities in the North East Region and TSP areas is a continuously priority area with the DoT, the Committee recommend that all effective and innovative measures, keeping in mind physical and technical considerations, should be taken to achieve the annual as well as the Eleventh Plan targets there.

III. OUTSTANDING ARREARS OF BSNL

Recommendation (Para No. 27)

13. In their earlier Report the Committee were concerned to note that an amount of more than Rs. 4,000/- crore was outstanding as landline and mobile telephone bill arrears of BSNL as on 31st January, 2007. Besides, an amount of Rs. 36.37 crore was written off during 2006-07 due to non recovery of outstanding dues. The Committee had, therefore, impressed upon BSNL to resort to all possible and acceptable measures to recover the outstanding dues as the Company could ill afford to ignore such a huge amount.

14. The Department in their Action taken note have stated that the measures taken by BSNL to ensure recovery of the arrears are as under:—

- “(a) Instructions to Circles to ensure timely issue of telephone bills and to effect disconnection of telephones for non-payment promptly have been issued. The same are being reiterated periodically and 35 days time limit for disconnection due to non-payment has been fixed.

- (b) Every year targets for liquidation of outstanding dues for different billing periods for each Circle/Metro District are fixed and performance thereof is reviewed regularly.
- (c) The progress with regard to liquidation of outstanding dues is closely monitored and brought to the notice of Director (F) and CMD.
- (d) Instructions have been issued to Circles for separate monitoring of Billing & Collections of High Callers who contribute to a major share of revenue for the Company.
- (e) As per instructions, the telephones disconnected due to non-payment are permanently closed after 3 months from the date of disconnection. If outstanding can be adjusted against deposits available, if any, it is adjusted & the balance deposit is refunded to the customer. If outstanding is more than the deposit; the balance amount after adjusting deposit is transferred to Pursuit Cell for recovery. Legal notice is given to the defaulters and Outstanding Pursuit Cell pursues the defaulter cases.
- (f) Instructions have been issued to the Circles to hold meeting of Liquidation Boards and High Power Committees on time and at regular intervals of review of defaulter cases to recommend legal action for recovery of dues or for write off of such dues, which seem to be irrecoverable.
- (g) Civil suits are also being filed against defaulters, if outstanding amount is more than Rs. 25,000.
- (h) The State Governments have been requested to amend their respective land revenue acts so that the defaulted telephone dues to BSNL can be recovered as land revenue arrears.
- (i) Heads of Circles have been authorized to appoint Private Recovery Agents on commission basis to assist BSNL in recovery of outstanding revenue. Circles have also been asked to utilize the services of State Government Departments in recovery of outstanding dues.
- (j) Discount scheme for defaulters has also been introduced to lure them to clear the dues outstanding against them.
- (k) Defaulter cases are being filed in the District Lok Adalat (Pre-litigation & Permanent Lok Adalat) for speedy settlement of defaulters disputes.

- (l) State Governments are pursued to permit BSNL to apply the law for the recovery of outstanding dues as in the case of recovery of land revenue. State Governments of Andhra Pradesh and Kerala have already issued the orders in this regard.
- (m) The Head of the Circles are advised to constitute High Power Committee to contact the defaulting subscribers and decide their grievances, if any, then and thereafter allowing some rebates.
- (n) All the circle units are advised to contact the defaulting subscribers through Open House Session and settle their grievances on the spot itself."

15. The Committee note that a number of measures have been initiated by BSNL to recover the outstanding dues of Rs. 4,000 crore as was the position in January, 2007. However, a close scrutiny reveal that some of the measures initiated appear to be mere reproduction of the instructions which have to be followed scrupulously for effective recovery of the outstanding dues. Unfortunately, the action taken reply is completely silent of not only the enforcement of the instructions but also its impact in reducing the outstandings. The Committee, therefore, impress upon the BSNL to effectively adhere to the measures already initiated, besides inventing new ones as and when required, so that the recovery of the outstanding amount is maximum. The Committee would like to be apprised of the periodical progress made in this regard.

IV. WAITING LIST OF BSNL

Recommendation (Para No. 31)

16. Observing high waiting list for BSNL landline connections especially in Kerala, Bihar, Rajasthan, etc. and for mobile connections in Chhattisgarh, Maharashtra and North-East Region inspite of a number of measures undertaken by the Company, the Committee in their Forty-Fourth Report recommended that BSNL should intensify measures for providing both landline and mobile telephone connections on demand all over the country.

17. The Department in their Action Taken Note have provided a circle wise waiting list as on 31.3.2007 as shown at Annexure-C. The Department have further stated that the waiting lists in UP (East) has come down to 44,430. Regarding provision of mobile connections, the Department have stated that the Mobile waiting list has been cleared

in Chhattisgarh, Maharashtra and NE-I. Most of the waiting list on landline/WLL is proposed to be cleared during 2007-08 after installation of WLL equipment. The Mobile waiting list in North East-II circle shall be cleared during 2007-08 under Phase V expansion programme. Following steps have reportedly been taken to provide telephone on demand:—

- (i) BSNL has restored laying of U/G cable in rural exchanges upto 5 km. of telephone exchanges against the norm of 2.5 kms for providing telephone on landline.
- (ii) BSNL is deploying WLL network in rural areas to meet the demand of telephone connections beyond 5 Kms of exchange *i.e.* scattered and far flung rural areas and where telephone connection is not possible on landline.
- (iii) There are also plan to install on an average 3 WLL BTS per SDCA to provide umbrella coverage, so that the telephone connection is available on demand in most of the places.
- (iv) BSNL is deploying its mobile network to cover gaps in existing coverage and additional requirements based on customer requirements besides covering villages with population of 5000 & above. Furthermore, BSNL also plans to cover villages with population of 1000 and above.

18. The Committee observe from the statement of circle wise waiting list of landlines, WLL and GSM telephones as on 31 March, 2007 that the Circles having high waiting list for land lines connections were Kerala, West Bengal, Maharashtra, Karnataka, Bihar, Rajasthan, Gujarat, Uttar Pradesh (East) and Jammu and Kashmir. Similarly, as on the same date the Circles having high waiting list for WLL connections included Madhya Pradesh, Maharashtra, Orissa, Karnataka and Andhra Pradesh. The waiting list of 15,506 GSM connections as on 31 March, 2007 was all in the North-East II Circle. Drawing consolation from the Department's statement that most of the waiting list on landline/WLL is proposed to be cleared during 2007-2008 after installation of WLL equipment, the Committee trust that the process of procurement and installation of WLL equipment will be expedited to clear the waiting list for around 7,11,000 landline connections and 1,79,000 WLL connections by the end of the current fiscal. The Committee further desire that the waiting list of 15,506 GSM connections in North-East II Circle, the only Circle having a wait list for such connections, should be cleared by 31 March, 2008, as assured by the Department.

V. TENTH PLAN TARGETS AND ACHIEVEMENT BY MTNL

Recommendation (Para Nos. 32 and 33)

19. Taking note of less than fifty percent plan expenditure by MTNL during the Tenth Plan period, the Committee in their earlier Report desired the MTNL should learn in the light of the experience gained during the Tenth Plan period, and take appropriate measures to optimally utilise the Eleventh Plan outlay. The Committee, after observing dismal achievement of physical targets by MTNL during the last year of the Tenth Plan period, also impressed upon the Company to thrive to achieve the Annual as well as Plan physical targets.

20. In reply, the Department have stated that the total Plan outlay for MTNL during the Tenth Plan period (2002-07) was Rs. 11955.46 crore. The total actual Plan expenditure by MTNL has been Rs. 4603.89 crore. The Department have further stated that in the telecom sector, the technology is changing rapidly and it is becoming very difficult to forecast the requirements very well in advance. Hence, some changes in the plan are inevitable. It has also been stated that in spite of low expenditure, MTNL installed the capacity that it had set the targets for and has met nearly all the targets. The details of achievements of MTNL during the Tenth Plan have been stated to be as under:

S.No.	Parameter	Plan Target	Achievement
1.	Net switching capacity including WLL and Cellular in Lakhs	30.57	33.25
2.	New connection (including WLL, Cellular and Broadband) in Lakhs	27.57	23.91
3.	DLC	2100	724+934 DSLAM
4.	OFC (Fibre Kms)	241920	192759
5.	PCUT replacement (Lakh Conductors Kms)	58.31	30.80

The Department have further stated that MTNL has drafted the Eleventh Five Year Plan taking into consideration the experience it had gained during the Tenth Plan period on the various factors which resulted in lower expenditure. MTNL expects that it shall be able to optimally utilise Rs. 8567.31 crore proposed for meeting the targets of the Eleventh Five Year Plan. The Company has created new divisions

like Marketing, Sales, Corporate Sale/Customer Support for marketing its products and preparing aggressive marketing plan to compete effectively.

21. The Committee observe that the total Plan outlay for MTNL during the Tenth Plan period (2002-07) was Rs. 11,955.46 crore whereas the actual plan expenditure by the Company during the same period has been Rs. 4603.89 crore. The Committee further observe that the Tenth Plan physical targets for new connections (including WLL, Cellular and Broadband) were 27.57 lakh lines whereas the achievement by MTNL has been 23.91 lakh lines by the end of the plan period. Similar shortfalls have also been observed in other schemes like DLC/DS-LAM, Optical Fibre Cables and PCUT replacement although in one scheme *i.e.* Net Switching Capacity, MTNL has exceeded the Tenth Plan targets. The Department's statement that in spite of low expenditure, MTNL has nearly met all the targets does not impress the Committee in view of the shortfalls of the Tenth Plan physical targets, as observed. The Committee acknowledge that technology is changing rapidly and it is becoming very difficult to forecast the requirements well in advance. But, at the same time non-utilisation of more than fifty percent of the plan outlay by MTNL during the Tenth Plan period can not be condoned under any circumstances. Moreover, in the existing dynamic and competitive scenario in the telecom sector, what will prove decisive is the difference between actually achieving the physical targets and nearly doing so. The Committee note the Department's submission that MTNL has drafted its programmes for the Eleventh Five Year Plan taking into consideration the experience it has gained during the Tenth Plan period, in line with the Committee's earlier recommendations. They hope that the Company will overcome the shortcomings and optimally utilise the Eleventh Plan outlay for achievement of the physical targets. The Committee further recommend that MTNL should continue doing aggressive marketing and complete the targeted projects in time to effectively compete and remain in the race.

VI. OUTSTANDING ARREARS OF MTNL

Recommendation (Para No. 34)

22. In their earlier Report, while observing that the outstanding dues of MTNL stood at Rs. 1264.74 crore against the landline and mobile subscribers in spite of a number of measures initiated by the Company, the Committee impressed upon MTNL to take recourse to other innovative measures for effective recovery of the outstanding arrears.

23. In their Action Taken Note the Department have stated as follows:—

“The amount of outstanding has reduced to Rs. 1218.43 crores on 31.03.2007 from Rs. 1272.64 crores on 31.03.2006. This substantial reduction is due to concerted efforts of MTNL to reduce outstanding.

Total Outstanding

(Amt. In Crores)			
As on	Delhi	Mumbai	MTNL
31.03.2006	833.15	439.49	1272.64
28.02.2007	803.62	461.12	1264.74
31.03.2007	782.68	435.75	1218.43
Reduction in Outstanding from Feb. 2007 to March 2007	-20.94	-25.37	-46.31

As noted by Hon'ble Committee, the convergent billing system being introduced will help in achieving further control on realisation of outstanding. A revenue assurance programme has also been implemented in MTNL wherein efforts are being made to ensure that maximum Revenue Billing and revenue realization takes place to further reduce the outstanding dues.”

24. The Committee note that as on 31 March, 2006 the outstanding due of telephone bills of MTNL stood at Rs. 1272.64 crore. During a period of one year, MTNL has been able to recover Rs. 54.21 crore as a result of which the outstanding arrear has been reduced to Rs. 1218.43 crore as on 31 March, 2007. However, the Committee are not inclined to agree with the Department's claim that it is a substantial recovery on the part of MTNL as approximately 95 percent of the outstanding dues is yet to be recovered besides a definite possibility of new defaulting cases being added to it. The Committee, therefore, recommend that MTNL should further strengthen its recovery mechanism and accelerate the momentum of recovering the remaining outstanding dues, of course in line with TRAI's recent guidelines of recovery through transparent modes.

VII. PERFORMANCE OF AND SUPPORT TO ITI

Recommendation (Para No. 35)

25. The Committee in their earlier Report expressed apprehension over ITI's achievement of Tenth Plan targets in view of inadequate

budgetary support to the Company. Further observing that ITI has not been able to break even despite the Department of Telecommunications' patronage in terms of 30 percent reservation of orders for it as well the Company's own efforts in inducting new generation technologies and focusing on turnkey operations, the Committee felt that a financial restructuring of the Company and its own efforts to upgrade and diversify the product range might help ITI to survive and turn around.

26. The Department in their Action taken reply have submitted that ITI's Annual Plan outlay for 2006-07 was Rs. 100 crore only and budgetary support for Rs. 100 crore was not agreed to. The proposed outlay for the year 2007-08 was Rs. 135 crore with the request for Budgetary support for the entire amount, against which the Planning Commission has approved Budgetary support of only Rs. 1 crore. The Department have further stated that ITI has drawn up an ambitious Production Plan of Rs. 4770 crore (with Excise Duty) for the year 2007-08. ITI has also been focusing on inducting New Generation Technologies with a view to keep pace with the rapidly changing technological environment in the telecom sector. In order to achieve the Production Plan and to enable implementation of acquired technologies, budgetary support as requested by ITI was stated to be necessary. The Department have also submitted that ITI facing severe financial crunch and as such is unable to generate internal resources to meet the capital investment.

27. The Committee observe that ITI has drawn up an ambitious production plan of Rs. 4770 crore for the year 2007-2008. The Committee further note that ITI has been focusing on inducting New Generation Technologies with a view to keeping pace with the rapidly changing technological environment in the telecom sector. However, it is reported that in order to achieve the production plan and enable implementation of acquired technologies, budgetary support as requested by ITI is necessary. In this context, the Committee find that for the last few years the Budgetary support as requested by ITI, has not been provided to the Company, although the Department of Telecommunication has been extending support to ITI in terms of reservation of orders for it. The Committee had, therefore, earlier recommended that ITI should upgrade and diversify their product range to survive and turn round. But in view of the submission that ITI is facing severe financial crunch and as such is unable to generate internal resources to meet the capital investment, the Committee would like the Department of Telecommunication to explore the feasibility of extending Budgetary support to ITI for the Company to break even. At the same time, in view of other support extended by DoT to ITI over the years, the Company on its part should continue to upgrade and diversify its product range for survival.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1)

The Committee note that the total approved Budget for the Telecom Services for the year 2007-2008 is Rs. 5640 crore out of which Rs. 5445 crore is for Revenue Section and Rs. 195 crore is for Capital Section. Out of the approved Budgetary support of Rs. 5445 crore for Revenue Section, Rs. 5300 crore is towards Non-Plan expenditure and Rs. 145 crore towards Plan expenditure. The Committee also note that the approved Plan Outlay of the Telecom Sector including their Public Sector Undertakings (PSUs) for the year 2007-2008 is Rs. 25561.97 crore with the Budgetary support of Rs. 340.00 crore. As against this, the approved Plan Outlay of the Telecom Sector including its PSUs in the Budget Estimates 2006-2007 was Rs. 19509.31 crore with the Budgetary support of Rs. 281.61 crore. In 2006-2007 Revised Estimates, the Plan Outlay was reduced to Rs. 17468.22 crore (including Budgetary support of Rs. 149.90 crore). Significantly, the reduction of the Plan Outlay by more than Rs. 2000 crore in the 2006-2007 RE was stated to be primarily on account of the revision of plan size by Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL). At the same time, enhancement of the 2007-2008 Plan Outlay by Rs. 8093.75 crore *vis-a-vis* the 2006-2007 plan outlay was stated to be mainly due to increase in the physical targets of BSNL & MTNL. In the opinion of the Committee, such Plans and projections which get revised downwards one year at the RE stage implying reduction of Plan outlay by more than Rs. 2000 crore and upward revision the very next year at the BE stage thereby enhancing the Plan outlay by more than Rs. 8000 crore, somehow appear to be unrealistic. The Committee acknowledge the fact that plans and projections do keep changing commensurate with the rapid changes in the telecom sector. But the fluctuations in the annual plans and projections should be confined to such an extent that the financial utilization of the approved outlays and physical achievement of targets depict a realistic assessment. The Committee, therefore, desire that the Department should ensure scientific planning and management so that there are no substantial variations at the RE stage in utilizing the proposed outlay of Rs. 25561.97 crore. The Committee also desire that prudent

measures for advance and realistic planning should be continued throughout the Eleventh Plan period for maximum and effective expansion of telecommunications services by the PSUs of the Department.

Action Taken by the Government

The increase in Plan Outlay of BSNL and MTNL for 2007-08 in comparison to 2006-07 is on account of the following:—

- (i) BSNL is in a position to focus more on WLL and Mobile (CMTS) Services considering the future trends of demand for wireless services; and
- (ii) The plan outlay of MTNL for 2007-08 has been framed to expand services of 3G Cellular Services and New Services.

Effective and prudent measures are being taken to implement the 11th Plan targets by the PSUs.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 2)

The Committee further recommend that the six important activities *i.e.* setting up of Telecom Testing and Security Certification Centre (TETC), Telecom Assistance Undersea Cabling between Mainland and Andaman Nicobar (UM & AN), OFC based Network for Defence services, Centre for Communication Security Research and Monitoring and Next Generation Network (NGN) Test Lab, that have been undertaken during the year 2007-2008 should be accomplished successfully for optimum utilization of the budgetary support of Rs. 340 crore earmarked towards that end. The Committee would specifically emphasize the need for ensuring utilization of Rs. 150 crore earmarked during 2007-2008 for establishment of OFC based Network for Defence services for co-ordination of spectrum for growth of mobile services as well as introduction of 3G services.

Action Taken by the Government

As the work relating to the Air Force is scheduled to be completed during the current financial year, it would be ensured that the amount of Rs. 150 crore earmarked during 2007-2008 for establishment of OFC based Network for Defence services is utilized during the current financial year.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 3)

Provision of rural telephony has been identified by the Department as one of the thrust areas. Pursuant to that, it is envisaged to provide one telephone per three rural households by 2007 and one phone per two such households by 2010. It is also proposed to provide mobile access to all villages with population of more than 1000 by 2007. In this context, the Committee find that although the telecom sector witnessed a stupendous growth during the first nine months of the 2006-07 fiscal when the net addition of phones was 478.219 lakh thereby increasing the total number of phones to 1899.21 lakh as on 31st December, 2006, yet the overall rural telecom status depicted a pathetic scenario. To be very specific, as on 31st December, 2006, the overall teledensity stood at 16.83 per 100 population, the urban teledensity rose to 53.34 whereas the rural teledensity remained at a dismal 1.86 as on the same date. The reasons advanced by the Department for rural telephony falling way behind the impressive growth in the urban connectivity, *inter-alia* were, *i.e.* highest economic and literacy status as well as easier availability of supporting infrastructure in the urban areas. The Committee are unable to accept them in view of the fact that rural areas have immense economic potential which have to be tapped suitably. Moreover, adequate provision of rural telephony is Government's obligation and thus the onus to create and making available supporting infrastructure evenly lies with them. The Committee, therefore, impress upon the Department to take all appropriate measures, regardless of the impediments, to give an impetus to rural telephony so that the targets spelt out under the thrust areas are achieved and the urban-rural divide is bridged.

Action Taken by the Government

- (i) Government has created the Universal Service Obligation Fund for development of telecom services in rural areas during 2003. From the license fee paid by the service providers, 5% of the Adjusted Gross Revenue (AGR) is collected as Universal Access Levy. The collections made towards Universal access levy are credited to the Consolidated Fund of India and the transfer/allotment of funds to Universal Service Obligation Fund (USOF) is through Parliamentary approval.
- (ii) As per Stream-II of the Indian Telegraph (Amendment) Rules 2004 framed for the implementation of USO Fund, a scheme was launched in March, 2005 for providing assistance towards installation of individual Rural household Direct

Exchange Lines (RDELs). The agreements were signed with M/s BSNL, M/s Reliance Infocomm Limited, M/s Tata Teleservices Limited and M/s Tata Tele (Maharashtra) for installation of RDELs to cover 1685 Short Distance Charging Areas (SDCAS), where cost of providing telephone connection was more than the revenue earned (High Cost Low Income Areas) out of a total of 2647 SDCAs in the country. About 25,64,577 RDELs were provided till March 2007 under this scheme. From the assistance provided from the USO Fund for this scheme, the telecom service providers have created infrastructure including towers and BTSs from where mainly rural lines have been provided using fixed wireless terminals (FWTs). The infrastructure so created under this scheme can be utilized further by the service providers for providing additional rural lines in the rural areas without support from USO Fund.

- (iii) As per Stream-III of the Indian Telegraph (Amendment) Rules 2006, a scheme has recently been launched by the Government to provide subsidy support for setting up and managing 7871 number of infrastructure sites spread over 500 districts in 27 States. About 2.12 lakh villages are likely to be covered under this scheme. The infrastructure so created shall be shared by three service providers for provision of mobile services including other Wireless Access Services like Wireless on Local Loop (WLL) using Fixed/Mobile terminals in the specified rural and remote areas, where there is no existing fixed wireless or mobile coverage. The agreements have been signed with the successful bidders in the coverage third week of May 2007. Mobile services through these shared towers are targeted to be made operational in a phased manner and are likely to be completed by June 2008. It is estimated that additional capacity of 23 million new lines shall be created through the infrastructure so created, under this scheme.
- (iv) In addition, about 5000 towers will be set up in 2008-09 and another 5000 towers will be set up in 2009-10 under second phase of the scheme. With this, a total capacity of about 60 million lines will be available by the year 2010 with the infrastructure so created under various schemes of mobile services.

- (v) With these proposed schemes, it is expected that by year 2010, the target of providing of 1 phone per 2 rural households shall be achieved.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 4)

The Committee observe that the Government is in the process of taking necessary action to provide support for infrastructure for mobile services including Wireless Access Service like Wireless in Local Loop (WLL) by using Fixed/Mobile Terminals in rural and remote areas of the Country. A total of 7871 towers will be set up in such areas in 500 Districts spread over 27 States. The Committee note that for that purpose, the Notice for Inviting Tenders (NIT) has been issued, bids received and evaluated. The Committee desire that the Department should expedite the formalities to support provision of infrastructure for mobile services in rural and remote areas so that the earmarked towers are set up early in the designated Districts and the teledensity increased to a noticeable extent.

Action Taken by the Government

In order to provide support for the infrastructure for mobile services in rural and remote areas, agreements have already been signed with the Infrastructure providers (IPs)—under Part “A” and universal service providers (USPs)—under Part “B” of the agreement in May 2007, for setting up 7871 towers in such areas spread over 27 States of the country. As per the signed agreement the work is to be completed by May 2008.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 5)

Another reason adduced by DoT for the sorry state of affairs in the rural and remote areas is the reluctance of Private Service providers to go in for rural telephony because of revenue factors. The Committee’s examination revealed that out of the total 478.29 lakh telephones provided during the year 2006-2007, about 89 per cent *i.e.* 424.38 lakh telephones were provided by the Private Operators, thereby increasing their overall share of telephones to 65 per cent as on 31st December, 2006. But what really concerns the Committee is the

fact that no segregated data is being maintained by the Private Service providers to indicate the number of telephones provided by them in rural areas out of the total provision of 424.38 lakh telephones during the year 2006-2007. The Department's statement that the private operators have agreed to provide the segregated figures with effect from March, 2007 is of little consolation to the Committee in view of the fact that such data should have been maintained and obtained earlier, especially, when the rural telephony programme has been languishing for years together. Further, the Department's reported reluctance to comment on the performance of the private operators in the rural areas in the absence of segregated figures does not merit consideration in view of the dismal performance of these operators during the pre-UASL era when there was even an obligation upon them to provide VPTs and they came out absolute croppers. With the advent of the UASL regime, the said obligation has ceased to exist and the Committee are obviously apprehensive about the Private Sector's performance in rural areas. They, therefore, impress upon the Department to find out effective ways and means to make Private Services Providers accountable to rural and remote areas, else rural teledensity will continue to remain as dismal as ever.

Action Taken by the Government

- (i) For the scheme of rural lines launched by USO Fund in March 2005 there has been active participation by all the telecom service providers including private service providers. Agreements were signed with M/s BSNL, M/s RIL, M/s TTL and M/s TTL (MH) for providing subsidy support for installation of individual rural household Direct Exchange Lines (RDELs) in the country. The share of SDCAs amongst these companies were 1267, 203, 172 and 43 respectively. About 25,64,577 RDELs were provided during the validity period of the scheme *i.e.* during 01.4.2005 to 31.3.2007. The number of rural lines provided by these service providers is given below:

Ms/ BSNL	:	8,91,306
M/s RIL	:	7,73,207
M/s TTL	:	7,26,915
M/s TTL (MH)	:	2,09,149

- (ii) Similarly, in the recently launched Scheme of shared Rural Mobile Services, Private Service Providers have participated actively. Out of the total 243 bids declared successful for

Part-B of the Scheme (3 service providers sharing the towers in each of the 81 clusters), the share of various service providers is given below:—

Sl.No.	Group/ Company	Name of Bidder	Total No. of Clusters for which successful
1.	Hutch	Aircel Digilink India Ltd.	7
		Fascel Ltd.	1
		Hutchison Essar Cellular Ltd.	10
		Hutchison Essar South Ltd.	14
		Total	32
2.	Dishnet	Aircel Ltd.	3
		Dishnet Wireless Ltd.	16
		Total	19
3.	BSNL	Bharat Sanchar Nigam Ltd.	59
4.	Bharti	Bharti Airtel Ltd.	10
		Bharti Hexacom Ltd.	3
		Total	13
5.	Idea	BTA Cellcom Ltd.	12
		Idea Cellular Ltd. (Idea)	12
		Idea Mobile Communications Ltd.	3
		Total	27
6.	Reliance	Reliance Communications Ltd.	53
		Reliance Telecom Ltd.	40
		Total	93
		Grand Total	243

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Comments of the Committee

(Please see Paragraph No. 8 & 9 of the Chapter-I)

Recommendation (Para No. 6)

The Committee note that provision of Village Public Telephones is covered under the flagship “Bharat Nirman Programme” of the Government of India. The Committee also find that nearly 5.42 lakh VPTs covering more than 90 per cent of the villages have been receiving support towards operation and maintenance of such VPTs. For the remaining uncovered and eligible 66822 villages, agreements have been signed with BSNL to provide VPTs in a phased manner by November, 2007. As on 28th February, 2007, BSNL has been able to provide 41706 VPTs and the company is reportedly taking necessary action to provide the remaining VPTs by November, 2007. In this context, the Committee would like to point out that in view of the Private Sector’s established reluctance to provide telephones in rural areas, all aspirations and expectations rest with BSNL, the only service provider with a significant presence in rural areas. The committee, therefore, desire that BSNL should live up to such expectations, procure and install suitable equipment in time and provide the remaining 25116 VPTs by November, 2007.

Action Taken by the Government

The agreement was signed with M/s BSNL in November, 2004 for providing VPTs in 66822 uncovered villages. As per the rollout obligation, this target is to be achieved by the Company by November, 2007. The Company has already provided VPTs in 48704 villages by 30.06.2007.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 7)

The Committee note that agreements were signed with BSNL and Reliance Infocom Limited (RIL) on 30th September, 2004 for installation of 46,253 Rural Community Phones (RCPs) by 2007 in a phased manner in villages with a population of more than 2000. Pursuant to that, the Committee find that as on 28th February, 2007, RIL has been able to provide 15690 RCPs against its quota of 21431. Similarly, BSNL has been able to provide 20602 RCPs by 31st December, 2006 against its earmarked quota. The committee desire that DoT should ensure provision of the remaining RCPs by the service operators within the stipulated time frame.

Action Taken by the Government

For providing Rural Community Phones (RCPs) in 46253 villages with a population exceeding 2000, agreements were signed with M/s BSNL and RIL in Sept. 2004. As per the agreement, BSNL and RIL are to provide 24822 and 21431 RCPs respectively. As on 30.06.2007, 36558 RCPs have already been provided by both the Companies. The roll out period of this activity is up to September 2007.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 8)

The Committee note that agreements were signed with BSNL in September, 2003 and March, 2004 to replace 186872 VPTs by December, 2007 which were working on Multi Access Radio Relay (MARR) technology and installed before 1st April, 2002. The Committee also note as on February, 2007 BSNL has been able to replace 170332 MARR based VTPs and some Circles like Andaman & Nicobar, Haryana, Kerala, Punjab, Tamil Nadu and Uttar Pradesh (West) have completely got rid of the non-functional MARR VTPs. The Committee desire that BSNL should maintain the momentum and replace the remaining 16540 fault prone MARR based VPTs in other Circles also, by December, 2007.

Action Taken by the Government

For replacement of 186872 MARR VTPs agreements were made with M/s BSNL. At the close of 30.06.2007, 176637 such VPTs had already been replaced.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 9)

The Committee note that the entire budgetary provision of Rs. 3581.44 crore allocated in the years 2002-2003 to 2005-2006 towards USO activities was optimally utilized. Against a revised projection of Rs. 1700 crore for the year 2006-2007, a sum of Rs. 1500 crore was provided to USOF. Out of that Rs. 737.98 crore has been disbursed till December, 2006. The Committee further observe that against an estimated requirement of Rs. 3000 crore for the year 2007-2008, a provision of Rs. 1800 crore only has been made in the budget proposals.

The Committee find that such reduction was made on the ground that additional fund would be provided by the Ministry of Finance at the RE stage upon assessing the progress of work. During evidence, the Administrator, USOF submitted before the Committee that taking into consideration the activities in hand and those to be undertaken, the proposed Rs. 1800 crore would be utilized by the end of December, 2007 itself. In the circumstances, the Committee failed to understand the rationale for leaving things to the RE stage when the proposed activities and the fund requirement are quite clear at the beginning of the financial year itself. Such an act becomes more illogical when fund utilization has been optimum during all these years. Moreover, it is imminent that sooner than later new activities like disbursement of funds towards mobile and broadband coverage of rural areas are to be undertaken for which more resources will be required to the USOF. Considering all the above factors, the Committee urge upon DOT to appropriately present the plans and projections under USO activities, convince the Ministry of Finance and get the required funds at the BE stage itself so that the last minute rush of activities leading to unfinished projects/schemes is avoided.

Action Taken by the Government

The entire budgetary allocation of Rs. 3581.44 Cr. during the years 2002-2003 to 2005-2006 towards payment of subsidy under various activities of Universal Service Obligation Fund (USOF) was fully utilized. During financial year 2006-2007, an allotment of Rs. 1500 Cr. was made for USO activities and the funds provided for were also fully utilized. For the financial year 2007-08 an allotment of Rs. 1800 crore has been made as against the projected Budget estimate (BE) of Rs. 3000 Crore for on going as well as new activities of providing support for Infrastructure sharing for mobile services in Rural and remote areas and also for the scheme of Broad band connectivity in such areas, under consideration.

A broad plan has been drawn and for allotment of additional Funds, matter has been taken up with the Finance Ministry.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 10)

The Committee further note that the collection of US levy from the service providers was Rs. 1653.61 crore in 2002-2003, Rs. 2143.22 crore in 2003-2004, Rs. 3457.73 crore in 2004-2005 and Rs. 3533.29 crore

in 2005-2006. The US levy collection for the year 2006-2007 is anticipated at Rs. 3488 crore. The Committee are, however, dismay to observe that against the total US levy collection of Rs. 14275.85 crores during the years mentioned above, including 2006-07, the anticipated collection of Rs. 3488 crore, the actual release of such collection to the USOF has been Rs. 5081.43 crore only, the year-wise break-up being Rs. 300 crore in 2002-2003, Rs. 200 crore in 2003-2004, Rs. 1314.58 crore in 2004-2005, Rs. 1766.85 crore in 2005-2006 and Rs. 1500 crore in 2006-2007. The Committee understand that fiscal 2007-2008 will mark a watershed in the growth and development of USOF activities for which the financial outgo during the year is going to reach a peak. One such important activity will be disbursement towards provision of mobile telephony in rural and remote areas for which 81 clusters comprising 7871 locations have been identified where towers and antenna have to be put up for provision of CDMA and GSM services. In view of the above, as well as due to the existing negligible rural tele-density, the Committee feel that it becomes imperative on the part of the DOT to take up and pursue the matter at the appropriate level for maximum and timely release of US levy fund from the Consolidated Fund of India to the USOF.

Action Taken by the Government

The collections made towards universal access levy are credited to the Consolidated Fund of India and the transfer/allotment of funds to USOF is through Parliamentary approval. The matter has been taken up with the Ministry of Finance for transfer of adequate funds to USOF.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 11)

The Committee note that earlier landline telephones were the preferred means of providing telephone connections whereas the existing phenomenon is that wireless system can be installed at less cost and time and it can cover a vast area even if there is a scattered domain. The Committee acknowledge the fact that installing a Telephone Exchange for provision of landline connections is definitely a costly proposition. But it still remains a fact that, landline connections have its own advantages and significance. In fact, landline connections acquire greater significance in view of the ambitious Broadband targets set for the current as well as the coming years. The Committee, therefore, recommend that the preference for landline connections

should not be discouraged overly or overtly and whenever there is demand for setting up of Telephone Exchanges, that should be considered suitably, as also assured by the Secretary, DoT.

Action Taken by the Government

Sheer convenience of mobile phone clubbed with affordability and availability is resulting in exponential growth of mobile customers. Currently, migration of landline customers to mobile services is a trend resulting in negative growth in the customer base of wire line services.

BSNL is the major service provider for landline telephone connections in the country. In BSNL, provisioning of landline telephone connections has not been discouraged in spite of their augmentation of mobile services. New Telephone connections are being provided by them wherever demanded subject to technical feasibility. New telephone exchanges are also set up as per techno-commercial consideration. MTNL is also taking following steps to arrest the churn of landline customers:—

- (1) Increase in penetration of broadband of ADSL2+ technology and offering triple play services (voice, data, IPTV) on copper pair thereby making fixed line services more attractive.
- (2) Bringing Delhi and Mumbai and 95 dialing facility (local call).
- (3) MTNL is also exploring possibility of providing value added services like CRBT on fixed lines.

Moreover, the broadband connectivity in rural areas would be viewed as a milestone achievement in rural telephony through landline connectivity, in particular.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 13)

The Committee observed that the plan allocation for TEC for the BE & RE 2006-2007 was Rs. 1 crore whereas the actual expenditure up to 31st December, 2006 has been Rs. 5 lakh only. The Plan BE 2007-2008 provides for an amount of Rs. 20.25 crore which includes Rs. 2 crore earmarked for the North-East Region. By the end of the 2006-2007 fiscal the anticipated expenditure by TEC is Rs. 16.69 lakh, leaving a shortfall of Rs. 84 lakh (approximately). The committee also note that for the scheme 'Upgradation of TEC Intranet' an outlay of Rs. 7 lakh was provided in 2006-2007. But the outcome till 31st December,

2006 is nil. Similarly for procurement of PCs, Laptops etc. an amount of Rs. 17 lakh and for VOIP Test Bid an amount of Rs. 5 lakh were provided. But in both the cases, the outcome is also nil. For procurement of testing tools and accessories for CDMA, a provision of Rs. 71 lakh was made in the 2006-2007 Plan Budget. But till December, 2006, Rs. 2 lakh only has been utilized. The main reasons for the delay in execution of Projects/Schemes leading to shortfall in expenditure, as reported, are non-receipt of responsive offers against tender enquiries, delay in supplies of equipment against the purchase orders, delay in receipts of bills against the equipment supplied, delay in installation of the equipment, etc. The Committee are surprised to observe that such administrative and procedural flaws are being encountered by the Engineering Centre year after year which invariably result in non-achievement of targets and gross under utilization of the earmarked funds. In view of the fact that TEC is engaged with such important projects like Upgradation of TEC Intranet, VoIP Test Bed. CDMA Tester, in addition to the project for installation of five Labs, the Committee impress upon DoT to ensure that the procedural impediments do not come in the way of TEC's optimal achievement of targets set for the year 2007-2008, including those intended to be carried out in the North-East Region, thereby ensuring maximum utilization of the earmarked amount of Rs. 20.25 crore.

Action Taken by the Government

TEC has restructured the MM Cell. Earlier, TEC has been tendering based on all the components of the Project Estimates, which resulted in participation of lesser number of bidders because all the components could not be manufactured/supplied by a single bidder. To avoid delay in completion of project TEC has started function-wise grouping of components in the Project Estimate to ensure more participation in the tender.

The Expression of Interest (EOI) for setting up of five different Labs given under here has since been finalized by TEC. The details of some important component along with provisioning of Budget during the year 2007-2008 are as under:—

Components	Budget Allocation	Status
1	2	3
Transport and IPV6 Lab	Rs. 3.80 crore	The case is under process for getting budgetary estimated details from the vendors/OEMs for the items included in the RFP

1	2	3
CPE Lab (Test and Certification Lab for WiMAX CPE, VoIP phone)	Rs. 3.91 crore	The details for the test equipment like Radio Conformance Testing, Protocol Conformance Testing, Interoperability testing are under process.
Control Lab	Rs. 2.85 crore	The scope, test equipment required, Protocols for conformance testing with reference to RFCs/ Standards, Interface Requirements have been prepared. For making detailed technical specifications of the Test Equipment required, the interactions with the original equipment manufacturers are going on.
Applications/Services Lab	Rs. 2.85 crore	The case is under process for getting budgetary estimate details from the vendors/OEMs for the items included in the RFP.
Access Lab	Rs. 3.75 crore	The scope, test equipment required, Protocols for conformance testing with reference to relevant standards from 3GPP, 3GPP2, IEEE are being finalized. For making detailed

1	2	3
		technical specifications of the Test Equipment required, the interaction with the original equipment manufacturers is going on. Based on the discussions/ comments the details technical specifications will be prepared, which will be used while forming the technical requirements of the proposed tender.
Infrastructure	Rs. 1.4 crore	The drawings have been prepared and finalized in co-ordination with Civil and Electrical wings of BSNL. The detailed estimates are under preparation.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 14)

The Committee note that the BE for WPC Wing during 2006-2007 was Rs. 15.61 crore which was reduced to Rs. 6.30 crore at the RE stage whereas the actual expenditure for the year (upto 14th February, 2007) has been Rs. 3.0 crore only. The Department have stated that non-completion of the job on time by the Contractors, has led to under utilisation of the funds. In fact, the same excuse is forwarded every year by DoT for non-achievement of targets and under utilisation of funds under this head. The Committee, therefore, cannot accept this explanation. They would like to be informed of the precise action taken against the erring Contractors and also the officers for their failure in proper management of the Contracts. The Committee also recommend that all corrective measures should be taken to utilise the 2007-2008 BE of Rs. 11.40 crore as well as to accomplish the important

project of National Radio Spectrum Management and Monitoring System (NRSMMMS) by the end of the 2007-2008 fiscal.

Action Taken by the Government

- The total expenditure during 2006-2007 was Rs. 4.99 crore against the RE of Rs. 6.3 crore.
- This is a highly technical & complex project. The technical specification of the Contract could be achieved through constant interaction with & pursuance of the Contractors. This has resulted in long delays.
- Liquidated damage (LD) charges @ 10% as per the Contract provision have been imposed against the Contractors for delayed completion of the job.
- The case for cancellation of the SHF (Super High Frequency) part of the Contract is being considered as the Contractors have failed to meet the technical specifications of the Contract in respect of SHF fixed and mobile facilities, for which they had given Full Compliance (FC) statement in their bid.

2. The present status of the project is as under:

2.1 ASMS: Automated Spectrum Management System (ASMS) at Sanchar Bhawan has been made operational.

2.2 Fixed Site: There are 23 fixed sites *viz.* Sanchar Bhawan (WPC HQ), Pushpa Bhawan (Wireless Monitoring Organization-HQ), 21 Wireless Monitoring Stations (WMS) located throughout India. The installation of workstations, server, LAN/WAN, antenna tower etc. have been completed at all sites except WMS Siliguri and tower installation work at Goa & Jalandhar. Acceptance Testing (AT) and subsequent rectification of anomalies has also been completed at all sites without antenna tower except at WMS Siliguri. Work completion certificate for these sites have also been issued. The AT of WMS, Ajmer (with antenna tower) has been completed and work completion certificate has also been issued. The AT of remaining sites having antenna towers is in progress.

2.3 V/UHF Mobile Monitoring Vehicles: As per the contract, 21 V/UHF Mobile Monitoring System (MMS) are to be delivered at 21 Wireless Monitoring stations. All the vehicles have been fabricated and integrated. The AT of 17 vehicles has been completed and the vehicles have been dispatched to their respective Wireless Monitoring Stations.

3. All corrective measures are being taken to utilize the fund allocation for 2007-2008 as well as to complete the project during 2007-2008.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 15)

The Committee observe that for WMO the B.E. 2006-07 provided an amount of Rs. 9 Crore which included Rs. 5 Crore in the Grants of the Ministry of Urban Development. The R.E. 2006-07 was reduced to Rs. 4.62 Crore, all in the Grants of Ministry of Urban Development, thus leaving no amount for WMO. The Committee also note that the B.E. 2007-08 for WMO prescribes an amount of Rs. 15 Crore, the break up being Rs. 3 Crore for the continuing schemes and Rs. 12 Crore for civil works. The Committee are dissatisfied to find that RE 2006-07 provision of Rs. 4.62 Crore as included in the grants of the Ministry of Urban Development has not been utilised fully for reasons *inter alia* due to restrictions of 33 percent allocations to be spend in the last quarter. When the Department are already aware of the restrictions on the amount to be spent in the last quarter of a financial year, the Committee fail to understand the rationale for living schemes/projects to be achieved during that quarter. The DOT should, therefore, take up the matter at the appropriate level to see that the Ministry of Urban Development, which has been assigned the scheme undertakes advance planning and accomplish the job in time.

Action Taken by the Government

In R.E. 2006-07, the total amount of Rs. 4.62 Crore allotted under the Grants of Ministry of Urban Development was retained for the execution of civil works of WMO. Out of this, expenditure sanctions worth Rs. 2,37,98,200/- were issued in F.Y. 2006-07. The amount could not be fully utilized due to procedural and coordination delays at various levels. However, WMO has taken up once again the matter of delay with Ministry of Urban Development as per recommendation of the Hon'ble Standing Committee. All efforts are being made to speed upon the work under various items.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 16)

The Committee find that the target for WMO for monitoring wireless transmission was 1,77,900 during the year 2006-07 whereas the achievement is 1,49,991 including the anticipated achievement by 31st March, 2007. Moreover, some shortfalls have also been noticed in other schemes like Monitoring Assignments Handled, Technical Assistance to users etc. Therefore, the Department's statement that no shortfall in anticipated in the achievement of targets by WMO at the end of 2006-07 fiscal does not hold good. In view of the important assignments being undertaken by WMO, the Committee recommend that the Monitoring Organisation should take all possible measures to achieve the targets set for the year 2007-08.

Action Taken by the Government

All possible measures would be taken to achieve the targets set for the year 2007-2008.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 17)

The Committee note that during the year 2005-2006 the plan approved Budget for TRAI was Rs. 3 crore but the actual expenditure was Rs. 1.45 crore. Similarly, during 2006-2007 the approved Plan BE was Rs. 3.25 crore which was reduced to Rs. 2 crore at the RE stage. The actual expenditure during the year (upto 15th February, 2007) was Rs. 20 lakhs only. The Committee are informed that the expenditure by TRAI under the Plan budget for the year 2006-2007 (Upto 15th February, 2007) was actually Rs. 98.62 lakh and the earlier reported expenditure of Rs. 20 lakh was due to inadvertent booking of Plan expenditure under Non-Plan. In order to avoid wrong classification of expenditure, the Committee feel that due care should have been taken while preparing the Budget documents and furnishing the same to Parliament. However, even after spending Rs. 98.62 lakh, the Committee note that the total anticipated expenditure under the Plan budget of TRAI for the year 2006-2007 is likely to be Rs. 1.50 crore by the end of March, 2007, the shortfall, thus, being Rs. 1.75 crore. Shortfalls to the tune of Rs. 4 crore (approx.) are also anticipated in the Non-Plan expenditure during the 2006-2007 fiscal. Shortfalls in both Plan and Non-Plan expenditure have been attributed mainly to dislocation of work due to shifting of TRAI's office. Now that TRAI has settled elsewhere, the Committee hope that the Regulatory Body will take

measures to ensure that the Plan approved budget of Rs. 3 crore and Non-Plan approved budget of Rs. 21.69 crore earmarked for 2007-2008 are optimally utilised.

Action Taken by the Government

The recommendations made by the Committee to take due care while preparing the budget document and also for optimal utilization of approved Plan and Non-Plan Budget for the year 2007-08 has been respectfully noted. In this regard it is submitted that actual expenditure under the Plan Budget of TRAI for the year 2006-07 is Rs. 1.46 crore.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 18)

The Committee observe that out of the total nine (09) consultancies/studies/procurement proposed during the financial year 2006-2007, one work relating to the up gradation and expansion of System software for TRAI has been completed. One work relating to the procurement of Test Drive Equipment has been dropped and one study relating to Legal aspects of growing telecom technology in a regulatory regime is proposed to be undertaken in-house. The Committee note that the six remaining consultancies/studies/procurement are unlikely to be completed by the end of the 2006-2007 fiscal due to various technical, procedural and administrative reasons. Such shortfalls in accomplishing important consultancy studies are least expected from TRAI, it being the pioneer body for discharging telecom as well as broadcasting regulatory functions. The Committee, therefore, desire that the important consultancy studies/trainings like Regulatory and licensing requirement for Spectrum Trading in India, Spectrum and Licensing related issues for new technologies, Satellite communications related issues, Studies on Digitalisation and impact of CAS, that are proposed to be undertaken by TRAI during the year 2007-2008 are accomplished for the benefit of common man as well as the stakeholders.

Action Taken by the Government

The Recommendation of the Committee to accomplish the consultancy study for the benefit of common man and stakeholders has been respectfully noted for compliance by TRAI. In this regard it is submitted that the Authority for the year 2007-08 has drawn a roadmap/timeline for completion of the consultancy study proposed under the Plan Budget. It will be endeavored to ensure completion of the consultancy studies as per the timeline drawn.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 19)

The Committee note that during the years 2003-2004 and 2004-2005 TDSAT has been unable to optimally utilize the budgetary allocations of Rs. 87 lakh and Rs. 70 lakh respectively. However, during the year 2005-2006 the Tribunal has been able to fully utilize Rs. 70 lakh. In 2006-2007 the BE amount of Rs. 75 lakh was enhanced to Rs. 1 crore at the RE stage whereas the actual expenditure (upto 31st January, 2007) has been Rs. 55 lakh only. The Committee further note that the anticipated expenditure by the end of the financial year 2006-2007 is Rs. 88 lakh. The remaining Rs. 12 lakh has already been surrendered as the proposed number of Seminars could not be organized by TDSAT due to some unforeseen circumstances and administrative difficulties. Such surrender of funds tantamount to negation of planning and the committee, therefore, impress upon DoT to ensure that administrative difficulties do not come in the way of the Tribunal's holding of Seminars, maintenance/upgradation of TDSAT library and website etc. that been proposed for the year 2007-2008 so that the budgetary allocation of Rs. 1.25 crore is utilized optimally.

Action Taken by the Government

The actual expenditure for the year 2006-07 was Rs. 88 lakh as against RE of Rs. 1 crore. The TDSAT could not utilize Rs. 12 lakh as out of 4 seminars proposed to be organized during the year, only 2 seminars could be organized due to some unforeseen circumstances, and administrative difficulties. Every effort/care is now being taken to ensure that all plan activities are completed as per the proposal and that the budgetary allocation of Rs. 1.25 crore during the year 2007-08 is utilized optimally.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 20)

The Committee note that during the year 2006-2007, 314 petitions/appeals were filed before TDSAT against the directions/decisions/orders of TRAI on tariff interconnection access charges etc. Out of that, 104 cases have been decided and the remaining 210 cases are still pending with the TDSAT. The Committee hope that the Appellate Tribunal will be able to finalise the remaining pending cases expeditiously in the interest of the stakeholders.

Action Taken by the Government

To ensure speedy disposal of pending cases, it has been decided to list at least 5 of those cases, where pleadings are complete, daily for 'hearing' before the Hon'ble Bench of TDSAT.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 21)

The Committee note that during the year 2004-05 and 2005-06, out of the Plan Outlay of Rs. 145.61 crore and Rs. 131.40 crore respectively, the actual expenditure by C-DOT in the corresponding years was Rs. 96.21 crore and Rs. 103.69 crore. During the year 2006-07 the proposed outlay has been Rs. 143.70 crore with a budgetary allocation of Rs. 82 crore. The Committee find that the actual expenditure by C-DOT as on 28th February, 2007 has been Rs. 106.24 crore (provisional) and by the end of the fiscal C-DOT anticipates to spend upto 85 percent expenditure of the overall Plan outlay of Rs. 143.70 crores. The shortfall in expenditure during the financial year 2006-07 has been attributed to non-completion of some of the study projects due to uncertainty in technology and less expenditure on support infrastructure. The Committee are not inclined to buy such reasons as C-DOT should have the expertise to relook into its technology priorities and methodologies in order to keep pace with the ever changing technological trends in the telecom sector. The Committee, therefore, recommend that C-DOT should firm up the required new strategies to optimally utilize the BE 2007-08 amount of Rs. 161.07 crore for development and deployment of next generation network and provision of cost effective rural wireless solutions.

Action Taken by the Government

C-DOT has chosen a mix of various projects allocating appropriate priorities for the year 2007-08. Scheme wise budget has been allocated for the year 2007-2008. Periodic targets have also been prepared.

The major schemes focus around:

- Security systems related to telecom,
- Strategic and enterprise solutions,
- Rural technologies (cost effective rural wireless solutions),
- Broadband systems,

- Upgradation, support & development for migration to next generation systems,
- Northeast projects,
- Basic Research, future technology, pilots etc.

C-DOT will take all possible measures to utilize BE 2007-08 amount of Rs. 161.07 crores for various schemes and projects.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 22)

The Committee observe that in the project 'Second and Third Generation Personal Communication Systems' the overall achievement of C-DOT is about 20 percent of the planned target because of the contentious 3G licensing issues, constraints and merits of 3G deployment *vis-a-vis* advantages of emerging 4G services and difficulties in spectrum availability for 3G services. Consequently, the scheme was foreclosed and C-DOT instead used the resources on software based radios and other rural wireless and broadband services. The Committee desires that C-DOT, by laying greater emphasis on planning, monitoring and quality processes, should be able to accomplish the changed priority target for the benefit of rural and remote areas.

Action Taken by the Government

- C-DOT is pursuing program of rural wireless and broadband services and is working on it as a priority project.
- The trials on software defined Radio based systems have already been started in terms of having a dynamic platform for piloting cost-effective wireless technologies. Also, a prototype of a broadband rural radio system has been developed using state-of-the-art technology.
- Another platform would in future have the capability to house more than operators.
- A common broker software integrating various services offered in rural environment is also being developed.

Initiatives have already been taken for continuous training of staff on tool based planning, monitoring & quality processes.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 23)

The Committee note that during the entire Tenth Plan period, excepting for the year 2003-04, C-DOT has not been able to generate the targeted internal revenue. For example, during the year 2002-03, C-DOT was able to generate Rs. 16.90 crores against the target of Rs. 21.27 crores. Similarly, during the years 2004-05 and 2005-06, the targets in this regard were Rs. 35 crore and Rs. 21.20 crore respectively whereas the corresponding achievements were Rs. 32.08 crore and Rs. 8.96 crore. During 2006-07 fiscal, the provisional internal revenue generation by C-DOT is Rs. 19.62 crore against the target Rs. 61.70 crore. Such shortfalls in the internal revenue generation are attributed to overdue payments to be received on account of field support, turnkey and other telecom solution provisioning etc. In view of the extent of budgetary allocation to C-DOT and the nature of research and development that it undertakes, the Committee recommend that all appropriate measures should be taken to realize the outstanding payments/dues/royalties so that the premiere Research Centre is able to meet its revenue generation targets and develop total telecom solution technologies and applications.

Action Taken by the Government

- C-DOT is making efforts to realize the outstanding payment/dues/royalties to improve upon its internal revenue generation. The contact is being established at various levels of related organizations to get the payments due and modalities finalized.
- In the case of pending dues on account of field support, turnkey and other telecom solutions, inter organization committees with C-DOT have been formed to resolve the issues.
- Recent communications have also been received in certain cases committing the payments out of the amounts due; the formalities are in the process for actually realizing the same.

The measures are expected to lead to substantial realization of outstanding dues during the year.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 24)

The Committee observe that during the Tenth Plan period the financial outlay for BSNL was Rs. 64,889 crore whereas the achievement (upto 28th February, 2007) has been Rs. 38,195 crore only, implying an expenditure percentage of 58.86 only. During the year 2006-07, out of the target of Rs. 15,349 crore, the Company would be able to utilize around Rs. 8,000 crore only by 31st March, 2007. The Committee are deeply concerned to find that during each year of the Tenth Plan Period, BSNL has failed to achieve the financial utilization reportedly due to ambitious and optimistic targets, cumbersome tendering and procurement procedure and falling prices of telecom equipment. With such stiff competition all around, the Committee wonder how BSNL would sustain it with a record of continuous failures to achieve the Plan outlay target during the Tenth Plan period and that too for such unacceptable reasons. The Committee feel that setting ambitious and optimistic targets is a move in positive direction, but citing it as an impediment for non achievement of targets is definitely a retrograde step and it clearly establishes the unrealistic assessment and projections on the part of the Company. Similarly, cumbersome tendering procedure and faulty procurement system can never be condoned under any circumstances. Needless to say, prudence requires setting realistic and achievable financial targets and making tendering procedure transparent and procurement system flawless so that the Eleventh Plan outlay of Rs. 80,612 crore in general and 2007-08 outlay of Rs. 22,881 crore in particular are revisited based upon the requirement and market condition and utilized commensurately. The Committee, therefore, recommend both DOT and BSNL to take appropriate measures accordingly.

Action Taken by the Government

While there is a shortfall in achieving financial targets during the 10th Plan period, BSNL has surpassed the target for mobile connection during this period. The reasons for shortfall in achieving the financial targets during tenth plan are given below:

- (i) **Budgeting:**— The development plans were prepared keeping in mind the target of 250 million lines by 2007 and fast expansion taking place in telecom field. So, the plans were ambitious & optimistic. The provision in the BE/RE is made as per rates obtained in previous year tender.
- (ii) **Procurement of Equipment and Material:**— Being a Government owned company even though transparent

procedures are followed yet in some cases bidder approach court which has taken place in case of tender for procurement of FWT and U/G cable during 2005-06 there by delaying the procurement process resulting in less expenditure.

- (iii) **Reduction in prices:**— There is downward trend in prices of telecom equipment which has substantial electronic component in it. The prices of mobile exchange equipment, WLL exchange equipment, FWT and Broadband equipment have reduced by around 25% resulting in reduction in expenditure by the same amount.
- (iv) **Rate quotation in tenders:**— The suppliers are quoting rates with very low margin which is known as forward bidding. It, therefore, results in reduced payment to supplier/contractor and hence less expenditure.

BSNL has drawn following plans to utilize the funds during the 11th Plan period.

- I. Roll out of GSM for which a tender for 63.5 million lines has already been invited involving expenditure of Rs. 28,000 crore over the next two years.
- II. Tender for 6 million broadband lines has been finalized. Order for 3 million lines has been placed and additional order for 2 million lines will be placed shortly.
- III. Tender for 6 million lines IP TAX is being invited.
- IV. Tender for procurement for 65,000 STM-1 & 14,000 STM-16 Transmission equipment is in process.
- V. Procurement of five crore CLI Telephone instrument out of which 1 crore instrument are planned to be procured during 2007-08.
- VI. Laying of 200000 RKMs of OF Cable out of which 24,000 KM of OFC cable will be laid during 2007-08.
- VII. Procurement of 3 million line equipment of WLL.
- VIII. Procurement of wi-max equipment.
- IX. Procurement of equipment for up gradation to NGN.
- X. Procurement of UG Cable.

The plan for the subsequent years will be drawn based upon the requirement and market condition at that time. The major portion of expenditure is going to be towards procurement of equipment for GSM, Broadband, IP TAX, Transmission system & laying of OFC.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 25)

The Committee note that the Tenth Plan targets set for BSNL for Fixed phones and WLL phones were 80.9 lakh lines and 62.93 lakh lines respectively whereas the corresponding achievement upto 31st December 2006 was 3.74 lakh lines and 27.85 lakh lines. Similarly in the schemes Optical Fibre Cable and Microwave and targets for the plan Period were 250000 RKMs and 15000 RKMs respectively whereas the corresponding achievements by the end of December, 2006 were 171790 RKMs and 14111 RKMs. In TAX and Broadband also the plan target has not been achieved by BSNL. Preference of customers to mobile phones over fixed line phones, delay in obtaining permission from various agencies, reduced requirement etc. are stated to be the reasons for non-achievement of physical targets during the Tenth Plan period. As pointed out repeatedly earlier, the Committee feel that inappropriate assessment of the requirement and improper coordination with other agencies has resulted in BSNL's failures to achieve the Tenth Plan Physical targets. In order to avoid recurrence of the Tenth Plan experience and for BSNL to remain firmly in the race, the Committee recommend that the self-created bottlenecks should be looked into seriously for achievement of the Eleventh Plan physical targets including that of 2007-08.

Action Taken by the Government

The target & achievement of BSNL during the 10th Five Year Plan as per annual plan/MOU target is enclosed as Annexure-I. It is brought to the notice of Hon'ble Committee that BSNL has strived to achieve the targets as per the annual plan/MOU. However, the observation of the Hon'ble Committee is respectfully noted and every effort will be made to achieve the Eleventh Plan targets including that of 2007-08.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

**TARGET & ACHIEVEMENT DURING 10TH FIVE YEAR PLAN (AS PER MOU FOR 2004-05, 2005-06
& 2006-07 & AS PER REVISED ANNUAL PLAN FOR 2002-03 & 2003-04)**

Sl.No.	Name of Scheme	Unit	During the year						During 10th Plan Period					
			2002-03		2003-04		2004-05		2005-06		2006-07			
			Target as per Annual Plan	Achievement	Target as per Annual Plan	Achievement	Target as per MOU	Achievement	Target as per MOU	Achievement	Target as per MOU	Achievement		
1.	Total DELs	Lakh lines	55.9	47.7	60.61	34.6	50	52.87	75	82.24	75	95.64	316.51	313.05
2.	Optical Fibre Cable	RKMs	75,000	75,812	35,000	35,392	18,000	24,465	15,000	18,256	25,000	27,100	168,000	181,025
3.	Microwave	RKMs	5,000	8,085	2,000	3,269		1,305		1,018		777	7,000	14,454
4.	TAX	KC	1,005	1,011	1,058	903	800	802	620	829	1,200	1,268	4,683	4,813
5.	Internet	Nos	200,000	186,912	400,000	500,290	700,000	785,358	800,000	802,701	800,000	797,293	2,900,000	3,072,554
6.	Broadband	Nos					24,000	33,889	450,000	552,485	450,000	390,586	924,000	976,960

Recommendation (Para No. 26)

The Annual Plans of BSNL seeks to pay special emphasis on accelerated growth and early implementation of telecommunication facilities under the special Component Plan in the North-East Region and Tribal Sub-Plan areas. The Committee, however, regret to observe that by the end of 2006-07 fiscal, shortfalls are anticipated in the achievement of annual physical targets in VPTs and OFCs in the TSP areas due to hilly terrain, insurgency etc. The Committee are aware of the difficult geographical and topographical position of these areas which are natural and permanent phenomena. They are equally aware of the services rendered by BSNL in these areas over the years, despite the constraints. The committee, therefore, recommend that the reason for the shortfall should be thoroughly looked into and corrective measures taken to achieve the annual as well as five year plan targets set for both the areas, roll out various state of the art services there and live up to the expectation of the people.

Action Taken by the Government

The target and achievement statement for the year 2006-2007, for the North-East Region and Tribal Sub-Plan for the 10th Plan is placed at Annexures 'A' & 'B' respectively. It may be noted that achievement for DELs, VPTs and OFC (RKms) has exceeded the targets for the North east region. Similarly, under the TSP all physical targets have been achieved except those for VPTs and Microwave. But, the development of North East and tribal areas is priority area and steps will be undertaken to achieve the annual as well as five year plan targets.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Comments of the Committee

(Please see Paragraph No. 12 of the Chapter I)

Recommendation (Para No. 27)

The Committee are concerned to note that an amount of Rs. 3652.0981 Crore has been outstanding as basic telephone bill arrears of BSNL as on 31st January, 2007. In addition to that, an amount of Rs. 531 Crore (approx.) has been outstanding against Cellular Mobile Telecom Service Subscribers of BSNL as on the same date. The argument that these outstanding arrears do not pertain to a particular

year but has accumulated over a number of years does not convince the Committee in view of the fact that only because appropriate measures were not taken initially to recover the outstanding dues, the same went on accumulated over the years and thus took a huge proportion. To make the matter worse, due to non recovery of outstanding dues an amount of Rs. 36.37 Crore has been written off during 2006-07, the break-up being Rs. 36,33,57,000 relating to basic services and Rs. 3,43,000 pertaining to CMTS. A number of measures have reportedly been taken by BSNL to recover the outstanding dues, but in view of the volume of the arrears still outstanding as on 31st January, 2007, the Committee are inclined to believe that the measures taken in this regard are inadequate. The Committee, therefore, impress upon BSNL to resort to all possible and acceptable measures to recover the outstanding dues as the company can ill afford to ignore more than Rs. 4,000 Crore. Such appropriate measures are more warranted in view of the periodical cut down in Access Deficit Charges (ADC) which is reportedly affecting BSNL's financial health to carry out its rural telephony obligations.

Action Taken by the Government

Measures taken by BSNL to ensure recovery of the arrears are as under:—

- (1) Instructions to Circles to ensure timely issue of telephone bills and to effect disconnection of telephones for non-payment promptly have been issued. The same are being re-iterated periodically and 35 days time limit for disconnection due to non-payment has been fixed.
- (2) Every year targets for liquidation of outstanding dues for different billing periods for each Circle/Metro District are fixed and performance thereof is reviewed regularly.
- (3) The progress with regard to liquidation of outstanding dues is closely monitored and brought to the notice of Director (F) and CMD.
- (4) Instructions have been issued to Circles for separate monitoring of Billing & Collections of High Callers who contribute to a major share of revenue for the Company.
- (5) As per instructions, the telephones disconnected due to non-payment are permanently closed after 3 months from the date of disconnection. If outstanding can be adjusted against deposits available, if any, it is adjusted & the balance deposit is refunded to the customer. If outstanding is more than the deposit; the balance amount after adjusting deposit is transferred to Pursuit Cell for recovery. Legal notice is given

to the defaulters and Outstanding Pursuit Cell pursues the defaulter cases.

- (6) Instructions have been issued to the Circles to hold meeting of Liquidation Boards and High Power Committees on time and at regular intervals of review of defaulter cases to recommend legal action for recovery of dues or for write off of such dues, which seem to be irrecoverable.
- (7) Civil suits are also being filed against defaulters, if outstanding amount is more than Rs. 25,000.
- (8) The State Governments have been requested to amend their respective land revenue acts so that the defaulted telephone dues of BSNL can be recovered as land revenue arrears.
- (9) Heads of Circles have been authorized to appoint Private Recovery Agents on commission basis to assist BSNL in recovery of outstanding revenue. Circles have also been asked to utilize the services of State Government Departments in recovery of outstanding dues.
- (10) Discount scheme for defaulters has also been introduced to lure them to clear the dues outstanding against them.
- (11) Defaulter cases are being filed in the District Lok Adalat (Pre-litigation & Permanent Lok Adalat) for speedy settlement of defaulters disputes.
- (12) State Governments are pursued to permit BSNL to apply the law for the recovery of outstanding dues as in the case of recovery of land revenue. State Governments of Andhra Pradesh and Kerala have already issued the orders in this regard.
- (13) The Head of the Circles are advised to constitute High Power Committee to contact the defaulting subscribers and decide their grievances, if any, then and thereafter allowing some rebates.
- (14) All the circle units are advised to contact the defaulting subscribers through Open House Session and settle their grievances on the spot itself.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Comments of the Committee

(Please see Paragraph No. 15 of the Chapter-I)

Recommendation (Para No. 29)

The Committee are highly concerned to note that as on 28th February, 2007, as many as 19,44,021 BSNL's landline telephones have been disconnected/surrendered during 2006-07 only. The Committee find that consequent to a study conducted by BSNL through an outside agency in 45 cities of different States, some reasons have been ascertained for surrender of phones. Such reasons *inter-alia* include dissatisfaction of customers with the services provided by BSNL, switching over of landline customers to GSM services, perceived high monthly rentals. The Committee are of the view that such large scale surrender of landline telephones does not augur well for the Company and they, therefore recommend that corrective measures, based on the findings of the above study, should be taken to arrest the trend as BSNL has massive plans for provision of broadband services during the year 2007 and beyond.

Action Taken by the Government

To retain and sustain its customers, BSNL has introduced many schemes at competitive rates for fixed telephones including WLL considering the need of customers and prevailing market conditions from time to time. BSNL has taken following steps in this direction:—

- (i) Reduction in the tariff for all basic services.
- (ii) Launch of BSNL ONE INDIA tariff scheme with effect from 1.3.2006.
- (iii) Reduction in rentals for Sulabh Plan with effect from 1.10.2006.
- (iv) Empowering CGMs of Telecom Circles to launch Circle based competitive tariffs for basic and Cellular Services to face competition effectively.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 30)

The Committee would specifically like to draw the attention of DoT/BSNL to one of the findings of the above mentioned study which reveals that 21 percent customers of BSNL cited dissatisfaction towards the services provided by the company and 25 percent perceived that the monthly rental is too high. The Committee have always been emphasizing the significance of quality of service that is provided by

the Telecom PSUs for their own survival. Although a number of measures are reportedly being taken by BSNL towards providing quality services, yet the Committee desire that BSNL should continuously thrive to leverage its quality of service to customers, including those in rural and remote areas, so that it is able to sustain competition from many quarters.

Action Taken by the Government

BSNL is making all efforts to improve the quality of service parameters. These parameters are being monitored by Corporate Office on regular basis. Following steps are being taken by BSNL to further improve quality of telecom services in general:—

Fixed Telephone and WLL

- (i) Connecting all telephone exchanges on reliable digital media.
- (ii) Replacement of under ground paper core cables by other systems in phased manner.
- (iii) Creation of pole less network to reduce drop wire.
- (iv) Introduction and addition of Wireless in Local Loop system to cover larger rural areas.
- (v) Interactive Voice Response System (IVRS) based centralized fault booking at Short Distance Charging Centre (SDCC).
- (vi) Monitoring performance of telephone exchanges/media.
- (vii) Conversion of SBM (Single Base Module) into RSUs (Remote Switching Units).
- (viii) Conversion of C-DOT 256 Port exchanges into AN-RAXs (Access Network-Rural Automatic Exchanges).
- (ix) Provision of maintenance free battery sets and Engine Alternators for back-up power supplies in exchanges.
- (x) Annual Maintenance Contract (AMC) entered for WLL equipments working in rural area including FWTs and provision of AMC in new supplies.
- (xi) Provision of high capacity external maintenance free battery with FWT for providing larger talk time and standby time.
- (xii) Battery charger of FWT to operate in the voltage range of 90-300V.

- (xiii) More Base Transceivers Stations (BTSs) are planned to enhance the coverage of WLL System.
- (xiv) Do's and Don'ts have been issued to customers to increase their awareness on proper use of FWTs so as to minimize FWT related faults.

Following steps are being taken by BSNL to improve performance of QoS parameters for Cellular Mobile services.

- (i) **Expansion of Network:** BSNL is already in the process of expanding its GSM network to overcome the network congestion caused due to ever growing demand and traffic.
- (ii) **Drive test:** The exercise of Drive test for network optimization has been intensified. This would improve the QoS.
- (iii) **Load Balancing:** Re-parenting of BSCs/BTSs is being reviewed and implemented.
- (iv) **Congestion relief mechanism:** Network optimization by using congestion relief mechanism in the BTSs having unequal traffic among three sectors is being carried out.
- (v) **Monitoring of the network:** It has been strengthened at all levels. Review of network congestion and corrective & possible preventive measures have been intensified.
- (vi) **Network interruptions:** BTS sites get interrupted due to cutting of OF cable on account of road-widening in States and shortage of Power supply, especially in the Circles like Bihar.

Broadband and Internet Services

BSNL monitors Broadband service with a view to ensure stipulated norms for the network so as to ensure fullest satisfaction to the user for Quality of Service in areas of service provisioning, activation time, fault repair, and restoration time, billing performance, response time to customer for assistance, bandwidth utilization throughput, broadband speed, service availability/uptime, packet loss, network latency, customer perception of services etc. with due consideration for rural and remote areas. It may be noted that all these parameters are within limits.

Monthly rentals and charges are fixed from time to time based on network cost and market condition.

The performance is monitored regularly and continuously for QoS parameters and performance monitoring report for the quarter ending 31st March 2007 is enclosed as Annexure-II, for the perusal of Hon'ble Committee.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

ANNEXURE II

PERFORMANCE MONITORING SERVICE

On Quality of Service (Broadband)			BSNL			
Sl.No.	Parameters	Bench marks	Jan '07	Feb '07	Mar '07	I Qtr
1	2	3	4	5	6	7
1.	Service Provisioning/ Activation Time	100% in=<15 working days				
1.1.	No. of connection registered		68098	91763	167702	327563
1.2	%age of connections provided within 15 days of registration of demand	100%	99	99	99	99
1.3	%age of connections provided after 15 days of registration of demand		1	1	1	1
1.4	No. of customers to whom credit is given for delayed connections		Nil	Nil	Nil	Nil
1.5	Total No. of connections provided during the period		35474	25496	73989	134959
1.6	Total No. of working connections at the end of the period		877080	902171	976160	976160
2.	Faults Repair/Restoration Time					
2.1	Total No. of faults registered		27005	27465	36880	91340
2.2	%age of faults repaired by next working day	>90%	90	90	96	95
2.3	%age of faults repaired within 3 working days	=>99%	100	100	100	100

1	2	3	4	5	6	7
2.4	No. of customers of whom rent rebate is given in minimum monthly charges or equivalent usage allowance for delay in fault repair		0	0	0	0
	a. Rent Rebate of 7 days					
	b. Rent Rebate of 15 days					
	c. Rent Rebate of one month					
3.	Billing Performance					
3.1	Total No. of bills issued		877080	902171	976160	2755411
3.2	No. of bills disputed		5824	6214	7124	19162
3.3	%age of bills disputed	<2%	0.66	0.68	0.72	0.69
3.4	%age of complaints resolved within 4 weeks	100% within 4 weeks	100	100	100	100
3.5	% age of cases to whom refund of deposit is made within 60 days of closures	100% within 60 days	100	100	100	100
4.	Response time to the customer for assistance					
4.1	Total No. of calls received by operators (Voice to voice)		7481	7941	9504	17652
4.2	%age of calls answered by operator (Voice to voice) within in 60 sec.	>60%	88	88	88	88
4.3	%age of calls answered by opeator (Voice to voice) within in 90 sec.	>80%	89	90	90	90
5.	Bandwidth utilisation/ throughput					
5.1	No. of intra network links (pop to ISP Gateway nodes)				BRAS-23 T1-23, T2-666 DSLAMS- 5456	

1	2	3	4	5	6	7
5.2	No. of intra network links having Bandwidth utilisation >90% during peak hours (TCBH)					Information can not be provided due to non availability of any mechanism in Project 2.2
5.3	No. of upstream links for international connectivity (ISP Gateway nodes to IGSP/NIXI node/NAP)		32 (IGW)+ 3(NIXI)	40 (IGW)+ 3(NIXI)	54 (IGW)+ 3(NIXI)	54 (IGW)+ 3(NIXI)
5.4	No. of Upstreams links for International connectivity having bandwidth utilisation >90% during peak hours (TCBH)		23	11	None	11.33
5.5	Total International bandwidth available from ISP Node to IGSP/NIXI/NAP in Mqps		4960 (IGW) +300 (NIXI)	6200 (IGW) +300 (NIXI)	8370 (IGW) +300 (NIXI)	6810
5.6	Total International bandwidth utilization during peak hours (TCBH) (Enclose MRTG)		4176	4949	5416	4547
5.7	%age of International bandwidth utilization during peak hours. (TCBH) (Enclose MRTG)		83.91%	79.85%	64.74%	76.17%
5.8	Broad band speed available (download) from ISP node to user	>80%	100%	100%	93%	98%
6.	Service availability/ Upstream (for all users) in % age	>90% Q/E June 07 >98% w.e.f. Q/E Sep. 07	99.74%	100%	100%	99.90%

1	2	3	4	5	6	7
6.1	Total operational Hours		744	672	744	2160
6.2	Total downtime in hours		—	—	—	—
6.3	Service availability/uptime (for all users) in %age	>90%	99.74	99.00	98.00	99.90
7.	Packet loss (for wired broadband access) in %age	<1%	Nil	Nil	Nil	Nil
8.	Network Latency (for wired broad band access)		59ms	60ms	60ms	60ms
8.1	User reference point at POP/ISP Gateway node to IGSP/NIXI	<120ms	85ms	88ms	89ms	87ms
8.2	User reference point at ISP Gateway node to International nearest NAP port abroad (terrestrial)	<350ms	—	—	241.64	241.64
8.3	User reference point at ISP Gateway node to International nearest NAP port abroad (satellite)	<800ms	NA	NA	NA	NA

Recommendation (Para No. 36)

The Committee note that a proposal of reimbursement of Rs. 100 Crore to ITI towards VRS expenditure and funding of Rs. 160 crore towards Gratuity Trust is under the consideration of the government. The Committee desire that an early decision may be taken towards such reimbursement and funding in view of ITI's precarious financial condition.

Action Taken by the Government

The Government has approved grant of Rs. 352 crores for ITI to enable it to meet employee related dues as under:

Sl.No.	Particulars	Amount (Rs. Crores)
1.	Gratuity	171
2.	Provident Fund	69
3.	LIC & other recoveries	12
4.	VRS (already sanctioned in revival package of Rs. 1025 crores but not paid)	100
Total		352

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 37)

The Committee note that a case involving tendering issue for roll out of BSNL's Global System of Mobile (GSM) Services which was filed by one of the parties, has been stated to be dismissed as withdrawn on 16th April, 2007. The Committee have been informed that the decision in the case has a huge impact on ITI's financial health. As informed, ITI can get orders worth Rs. 6,000 Crore, spilled over two years as a part of the 30 percent reservation policy once the Court Case is settled. Now that the case has been dismissed as withdrawn, the Committee hope that ITI would be benefited from BSNL's roll out plan in terms of getting adequate orders. The Committee desires that necessary follow up action in the matter should now be expedited and the Committee may be informed accordingly.

Action Taken by the Government

BSNL has reserved for ITI, GSM Network roll out in West Zone comprising of Maharashtra, Gujarat, Madhya Pradesh and Chhattisgarh Circles. ITI has so far executed 4 M lines of Network and another 2M lines Network order is under execution. BSNL has already indicated that further 18M lines GSM Network which is part of 63.5 M line Tender (the present Tender is for 45.5 M lines; requirement of West Zone is not tendered) is reserved for ITI.

Basing on the experience of deploying 4 M lines GSM Networks as mentioned above ITI along with the Technology Partner Alcatel-Lucent is in the process of preparing detailed Business Case to ensure viability of executing the project.

ITI has already established manufacturing facility for manufacture of BTS, Roof Top Towers, Shelters, SMPS based Power Plant, Microwave Transmission Links, Antenna etc., and has geared up to meet the order for 18M lines.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 38)

The Committee note that with a view to getting spectrum released from Defence, DoT has already embarked upon creation of alternative network for Air Force which will reportedly be ready by July, 2007. Similarly, the network requirements of Army and Navy are being discussed. In view of the fact that delay in release of spectrum will adversely affect the achievement of roll out targets and increase congestion besides impacting the quality of service, the Committee recommend that the network requirements of Army and Navy should be finalized at the earliest so that adequate spectrum is released for expansion of telecommunication services, including 3G.

Action Taken by the Government

The recommendations of the Committee have been noted and steps are being taken to finalize the network requirements of Defence services.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 40)

The Committee observe that TRAI has taken several measures for protecting the interest of consumers by way of issuing several directions, regulations, orders, etc. The efficacy of some of these measures is reportedly tested through specific Questionnaires put along with customer satisfaction survey. The Committee also note that TRAI has recently undertaken public consultation on “Redressal of Consumer Grievances and Consumer Protection in Telecommunication” and the Consultation Paper proposes a framework for the redressal of grievances of the consumers. The responses received from the stakeholders in this regard are being examined by TRAI. The Committee appreciates TRAI’s efforts towards protection of consumer interest and redressal of their grievances. The Committee desire the Authority to continue evolving innovative measures for effective redressal of the grievances of the telecom subscribers and make periodical surveys to gauge the efficacy of the steps taken in this regard.

Action Taken by the Government

The observations of Committee to evolve innovative methods for redressal of grievances of consumers have been respectfully noted for future guidance.

It is respectfully informed that subsequent to the last submission, based on the responses received and their analysis, the Telecom Regulatory Authority of India issued the Regulation titled “Telecom Consumers Protection and Rederssal of Grievances Regulations, 2007” on 4th May 2007. The regulation aims to provide framework for effective, speedy and inexpensive redressal of grievances of the telecom consumers. Further, TRAI on 4th May, 2007 has issued direction to all service providers stipulating the details of information to be included in the telephone bills issued to the consumer.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLY OF THE GOVERNMENT

Recommendation (Para No. 28)

In the wake of the information of the Credit Information Bureau, the Committee also desire DoT to examine the feasibility of putting a system in place to automatically transfer the outstanding amount from the bank accounts of the major defaulters to the accounts of BSNL/MTNL. The Committee may be apprised of the legal implications, impact on customer relations and other repercussions should such a move is conceptualised.

Action Taken by the Government

The system of automatically transfer of outstanding amount from the bank account of the major defaulter to the account of service provider may not be feasible as without a mandate from the customer to the bank to transfer the amount to the service provider, bank will not transfer the amount. Therefore, only if ECS mandate from the customer to the bank is there, such a transfer of amount is possible. Moreover, BSNL/MTNL do not enjoy any statutory powers for transfer of funds from banks as exercised by various Taxation Authorities. Presently, hence, process of recovery through reminders, disconnection, Arbitration and/or Recovery Suite is possible.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Recommendation (Para No. 39)

The Committee observe that TRAI has recently cut down the Access Deficit Charges (ADC) which are paid to BSNL by the private telecom service providers for its rural telephony programme. The Committee also note that BSNL has reportedly been aggrieved by such reduction and consequent upon the rejection of its representation to TRAI for restoration of full ADC amount, the Company has challenged TRAI's orders in the TDSAT and the appeal of BSNL is pending adjudication before the Tribunal. The Committee would like to be apprised of the

verdict of the TDSAT in this regard, as and when passed. The Committee further desire that DoT should look into TRAI's reported adverse comments upon BSNL for not meeting the specified objectives for which ADC is being paid and take corrective measures accordingly. The Committee would also like TRAI to ensure that the benefit of reduction in ADC is appropriately passed on to the customers.

Action Taken by the Government

TRAI *vide* its IUC Regulation dated 23.02.2006 has cut down the Access Deficit Charges (ADC) to Rs. 3335 Crores for the year 2006-07. BSNL challenged the IUC Regulation dated 23.02.2006 before the Hon'ble TDSAT. While the appeal of BSNL challenging the last IUC Regulation of TRAI is pending before the Hon'ble TDSAT, TRAI started the process of notification of the current IUC regulation dated 21.03.2007, to be implemented from 1st April, 2007, reducing further amount of ADC payable to BSNL to Rs. 2000 crores for the financial year 2007-08. BSNL brought to the notice of TRAI that it would incur a deficit of about Rs. 14000 crores per annum due to provisioning of below cost wireline and rural telephony etc. BSNL challenged the current Regulations dated 21.03.2007 also before the Hon'ble TDSAT. Presently, both the appeals of BSNL are pending adjudication before the Hon'ble TDSAT.

TRAI in its notification dated 23.2.2006 amended the IUC regulation and stated that ADC is a depleting regime and would be reduced to zero in next two years. In a recent notification dated 21st March 2007, TRAI again amended the IUC charges regulation and it has been stated by TRAI that the Authority has also noted that "BSNL has not actively responded to the key purpose for which ADC was given. It may be recalled that ADC had specific purpose to be fulfilled in a time frame (*i.e.* tariff rebalancing). Further, BSNL is now offering tariff regime for bundled services which appear to be having some element of cross subsidy". In this context it is noted by DoT that in the first regulation on ADC TRAI has stated that the basic objective for which ADC is being paid is to compensate below cost rentals of basic services such as Plain Old Telephone Service (POTS). It is noted that BSNL has been meeting the objective. DoT does not have much role to play. As per TRAI Act, TRAI by notification makes regulations in this regard. As per Section 37 of the said Act, every regulation is laid as soon as may be after it is made, before each House of Parliament, for a period of 30 days, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be.

IUC regulation 2007 itself contains an appeal that the reduction in ADC resulting from the regulation would be passed on by the telecom service providers to the consumers. However, it is noted that reduction of ADC also means making available of reduced funds to BSNL to offset the deficits which are incurred by it in providing the below cost fixed telephone services particularly in the rural areas due to social obligations. As per information received from BSNL they have brought to the notice of TRAI that BSNL has to incur a deficit of Rs. 14000 crores per annum due to provisioning of below cost wireline and rural telephony etc. BSNL has also stated that due to the new regulation notified by TRAI the amount of ADC payable to BSNL has been arbitrarily reduced to Rs. 2000 crores. Therefore BSNL has clarified that the question of passing the benefit of reduction of ADC to customers is not applicable to BSNL. As per information received from TRAI though there is no direct and fine tuned nexus between reduced ADC and tariff but the impact is noticeable in terms of declining tariff trends. Recently most of the operators have significantly reduced the roaming charges and local call tariff package. Most of the operators have also reduced tariff applicable to outgoing ILD calls by Rs. 0.80 per minute which is the amount of ADC reduced by TRAI on ILD outgoing calls on per minute basis.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation (Para No. 31)

The Committee note that as on 28th February, 2007 the waiting list of BSNL landline connections stood at 8,28,242, the most affected Circles being Kerala, West Bengal, Bihar, Rajasthan, Maharashtra and Uttar Pradesh (East). Similarly, the CMTS waiting list as on the same date was 23,632, the four waitlisted Circles being Chhattisgarh, Maharashtra, N.E.-1 and N.E.-11. BSNL has reportedly been taking a number of measures like laying of Underground Cable, deploying WLL network to cater to the demands of the waitlisted applicants. The Committee desire BSNL to intensify its measures for providing both landline and mobile telephones on demand all over the country.

Action Taken by the Government

The circle wise waiting list as on 31.3.2007 is given in Annexure-C. The Circles having high waiting list for landline connections are Kerala, Maharashtra, West Bengal, Madhya Pradesh, Karnataka, Bihar, Rajasthan and Gujarat. The waiting list in UP (East) has come down to 44,430.

The Mobile waiting list has been cleared in Chhattisgarh, Maharashtra and NE-I. Most of the waiting list on landline/WLL is proposed to be cleared during 2007-08 after installation of WLL equipment. The Mobile waiting list in North East-II circle shall be cleared during 2007-08 under Phase V expansion programme.

Following steps have been taken to provide telephone on demand:—

- (i) BSNL has restored laying of U/G cable in rural exchanges upto 5 Km. of telephone exchanges against the norm of 2.5 Kms for providing telephone on landline.
- (ii) BSNL is deploying WLL network in rural areas to meet the demand of telephone connections beyond 5 Kms of exchange *i.e.* scattered and far flung rural areas and where telephone connection is not possible on landline.

- (iii) There are also plan to install on an average 3 WLL BTS per SDCA to provide umbrella coverage, so that the telephone connection is available of demand in most of the places.
- (iv) BSNL is deploying its mobile network to cover gaps in existing coverage and additional requirements based on customer requirements besides covering villages with population of 5000 & above. Furthermore, BSNL also plans to cover villages with population of 1000 and above.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Comments of the Committee

(Please see Paragraph No. 18 of the Chapter-I)

Recommendation (Para No. 32)

The Committee are highly dissatisfied to note that the total Tenth Plan expenditure by MTNL has been Rs. 4302.27 crore as on 28th February, 2007 against the projected Plan outlay of Rs. 11,955.46 crore, the year wise break-up being an expenditure of Rs. 1053.91 crore against a target of Rs. 3994.06 crore during 2002-2003; expenditure of Rs. 965.91 crore against a target of Rs. 2862.40 crore in 2003-2004; expenditure of Rs. 1038.48 crore against a target of Rs. 1523.80 crore in 2004-2005; expenditure of Rs. 685.47 crore against a target of Rs. 1619.80 crore during 2005-2006 and utilization of Rs. 551.25 crore against an outlay of Rs. 1955.40 crore during the year 2006-2007 (upto 28th February, 2007). Such dismal utilization of the Tenth Plan outlay by MTNL have been attributed to fierce competition in the Telecom Sector leading to changes in the original Plan projections, falling prices of telecom equipments and limited opportunities available for the expansion of services for national acquisition and abroad etc. The Committee are of the view that in the prevailing economic environment, fierce competition in Telecom Sector should have been foreseen much before the finalization of the plans and projections for the Tenth Plan period. As that was not done, MTNL had to forcibly alter its Tenth Plan projections which ultimately resulted in meager utilization of Plan outlays. However, now the MTNL is proposing appropriate measures relating to Technology, Services, Marketing and Manpower perspectives, the Committee hope that the Company will learn from its experience during the Tenth Plan period and optimally utilize Rs. 8,576.31 crore proposed for the Eleventh Plan period.

Action Taken by the Government

The total Plan outlay for MTNL during the Tenth Plan period (2002-07) was Rs. 11955.46 crore. The total actual Plan expenditure by MTNL has been Rs. 4603.89 crore.

In the telecom sector, the technology is changing rapidly and it is becoming very difficult to forecast the requirements very well in advance. Hence, some changes in the plan are inevitable. In spite of low expenditure, MTNL installed the capacity that it had set the targets for and has met nearly all the targets. The details of achievements of MTNL and reasons for shortfall of various targets during 10th plan are as under:

Sl.No.	Parameter	Plan Target	Achievement
1.	Net switching capacity including WLL and Cellular in Lakhs	30.57	33.25
2.	New connection (including WLL, Cellular and Broadband) in Lakhs	27.57	23.91
3.	DLC	2100	724+934 DSLAM
4.	OFC (Fibre Kms)	241920	192759
5.	PCUT replacement (Lakh Conductors Kms)	58.31	30.80

Reasons for short fall

The physical parameters specified in the plan are dynamic in nature. However, the specific reasons for short fall are as under:—

1. **New Connection:-** There is a minor shortfall in case of new telephones connections since there is a general decline in the demand for fixed line telephone and there is a tendency to shift to cellular mobile service. However, fixed lines telephones are available “on demand” in MTNL.
2. **DLC:-** The consolidated targets of DSLAM/DLC were later introduced in the plan targets instead of DLC. Approx 5 Lakhs ports of Broadband were added by adding 934 DSLAMs.
3. **OFC:-** The annual targets were kept low in latter years of 10th Plan keeping in view the requirement. It may be stated that in spite of the large Broadband deployment, there has been not shortage of fibre in the network.

4. **PCUT Cable Replacement:-** A total of 58.3 LCKM was planned for replacement in the 10th plan out of which 29.6 LCKM and 28.7 LCKM were targeted to be replaced in 2002-03 & 2003-04 respectively. The requirement of PCUT cables were linked with the installation of new RSUs which in turn was linked with demand for fixed lines. As there was no demand for fixed lines, the replacement of PCUT cable was done as per requirement. These dynamic adjustments, were made taking into account the market realities.

As regards past trends of Capital Expenditure, it is stated that MTNL did not reach the projected Capital outlay for various reasons such as

1. General reduction in rates of telecom items. Considerable reduction in telecom prices resulted in targets being met at lower cost.
2. Delay in commissioning of 800K CDMA.
3. Projected expenditure on National/Overseas expansion not incurred for want of suitable opportunities.
4. Shrinking Domestic opportunities in the area of operation of MTNL Delhi and Mumbai.

MTNL has drafted the 11th five year plan taking into consideration the experience it had gained during the 10th plan period on the various factors which resulted in lower expenditure in the 10th plan period. MTNL expects that it shall be able to optimally utilize Rs. 8567.31 crore proposed for meeting the targets of the 11th five year plan.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Comments of the Committee

(Please see Paragraph No. 21 of the Chapter-I)

Recommendation (Para No. 33)

The Committee observes that the achievement of annual physical targets set for MTNL during the year 2006-2007 has been quite dismal. For example, out of the target of 10 lakh new connections, the achievement as on 31st December, 2006 has been 3,73,358 connections only. Similar shortfalls have also been observed in Switching Capacity, TAX Tandem Capacity, OFC etc. Some projects/schemes like buildings,

Rehabilitation of existing Land Line Copper Network, International Long Distance Operations have not yet taken off. The Committee are informed that in some cases shortfalls occurred due to ITI's inability to supply and install the equipment and in some other cases due to non finalisation of tender in time and subsequent delay in placement of purchase orders. The Committee are surprised that one PSU of DOT is not honouring its contractual obligations towards another PSU resulting in non achievement of annual targets. Similarly, non finalisation or delayed finalisation of tender cannot be accepted as an appropriate reason for non achievement of targets by MTNL. The Committee, therefore, recommends DoT to move the bottlenecks with regard to finalisation of tenders in time in order to enable the Company to optimally achieve the annual physical targets. The Committee also desire that DoT should impress upon ITI, in view of the 30 percent reservation of orders it gets from BSNL/MTNL, to honor its contractual obligations and deliver and deploy equipment in time so that MTNL is able to achieve the annual and the Plan physical targets. In view of the stiff competitive scenario, MTNL, on its part, should foresee the market requirements, and thrive to accomplish the targeted projects besides providing a number of value added services to its customers in Delhi and Mumbai.

Action Taken by the Government

Reasons for not achieving the various targets have already been explained in reply to the para 31.

Achievement with respect to Physical Targets during the year 2006-07 is as follows:—

Sl.No.	Items	Annual Plan Targets	Achievement as on 31st March 2007
1.	New connections including WLL Cellular and Broadband connections	1000000	1000055
2.	Switching Capacity including capacity for WLL & GSM	2000000 Lines	665040
3.	Tax/Tandem Capacity	64000 Lines	0
4.	Deployment of DLC/DSLAM	500000 Port	66188
5.	Optical Fibre Cable	18000 Fibre Kms	56588.074

MTNL has achieved the target of new connections and the achievement with respect to target of optical fibre cable has exceeded.

In view of the stiff competitive scenario MTNL is doing aggressive marketing and completing the targeted projects in time. Further MTNL is also planning to provide latest value added services on its network on its fixed and mobile networks as a bouquet of services to its customers under one roof.

As the company has limited area of operation the emphasis has been placed on addition of new and value added services. The Company has commercially launched broadband services in the year 2005. Also Digital Certification services are available from year 2004. A number of customer friendly initiatives, which broadly include web-based solutions, SMS & call center-based solution, have been incorporated to enhance customer care.

The company has created new divisions like Marketing, Sales, Corporate Sale/Customer Support, for marketing its products and preparing aggressive marketing plan to compete effectively.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Comments of the Committee

(Please see Paragraph No. 21 of the Chapter-I)

Recommendation (Para No. 34)

The Committee note that as on 28th February, 2007 an amount of Rs. 1264.74 crore was outstanding against the Basic, CDMA and Mobile subscribers, the break-up being Rs. 803.63 crore in Delhi and Rs. 461.12 crore in Mumbai. The Committee also note that during the period between April, 2006 and February, 2007 an amount of Rs. 14,95,79,000 has been written off due to non recovery of outstanding dues, the break-up being Rs. 6,84,88,000 in Delhi and Rs. 8,10,91,000 in Mumbai. A number of measures like disconnections of the telephone, recourse to legal notices and filing of suits in Court of Law, engagement of private recovery agents are reportedly being taken by MTNL to recover the outstanding dues. The Company is hopeful that with the help of convergent billing system which is going to be commissioned very soon, the recovery system of outstanding dues will be more effective. The Committee also hope that with the introduction of the convergent billing system and taking recourse to other innovative measures, MTNL will be able to effectively recover the outstanding dues and not allow the dues to mount beyond proportion.

Action Taken by the Government

The amount of outstanding has reduced to Rs. 1218.43 Crores on 31.03.2007 from Rs. 1272.64 Crores on 31.03.2006. This substantial reduction is due to concerted efforts of MTNL to reduce outstanding.

Total Outstanding

(Amt. In Crores)			
As on	Delhi	Mumbai	MTNL
31.03.2006	833.15	439.49	1272.64
28.02.2007	803.62	461.12	1264.74
31.03.2007	782.68	435.75	1218.43
Reduction in Outstanding from Feb. 2007 to March 2007	-20.94	-25.37	-46.31

As noted by Hon'ble Committee, the convergent billing system being introduced will help in achieving further control on realization of outstanding. A revenue assurance programme has also been implemented in MTNL wherein efforts are being made to ensure that maximum Revenue Billing and Revenue realization takes place to further reduce the outstanding dues.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Comments of the Committee

(Please see Paragraph No. 24 of the Chapter-I)

Recommendation (Para No. 35)

The Committee observes that ITI's annual plan outlay of Rs. 500 Crore for the year 2006-2007 with budgetary support of Rs. 100 crore has not been agreed to by the Government. The Committee further notes that the proposed outlay for ITI for the year 2007-2008 is Rs. 135 Crore with the request of budgetary support of the full amount. The Committee are quite apprehensive of ITI getting the amount as budgetary support in view of the Ministry of Finance's past reluctances as well as the Company's own performance during the last few years.

The Committee are equally apprehensive of ITI's achievement of plan targets in the absence of any budgetary support, as has been experienced over the years. Of course, the DoT has been extending patronage to ITI in terms of 30 percent of reservation orders from BSNL and MTNL for the Company's survival. ITI, on its part has been inducting new generation technologies and focusing on turnkey operations to cater to the requirements of the fast changing telecom environment. Despite all these efforts by the DoT and the Company itself, ITI has not been able to break even. The Committee feel that a financial restructuring of the Company and its own efforts to upgrade and diversify the product range may help ITI to survive and turn around. When it becomes self sufficient, the Company can venture into other profitable business opportunities like manufacturing of mobile phone instruments.

Action Taken by the Government

ITI's Annual Plan outlay for 2006-07 was Rs. 100 Crore only and budgetary support for Rs. 100 Crore was not agreed to. The proposed outlay for the year 2007-08 was Rs. 135 Crore with the request for Budgetary support for the entire amount, against which the Planning Commission has approved Budgetary support of only Rs. 1 Crore.

ITI has drawn up an ambitious Production Plan of Rs. 4770 Crore (with Excise Duty) for the year 2007-08. ITI also has been focusing on inducting New Generation Technologies with a view to keep pace with the rapidly changing technological environment in Telecom. Details of technology acquisition of ITI is at annexure for reference. In order to achieve the Production Plan and to enable implementation of acquired technologies, budgetary support as requested by ITI is necessary. ITI is facing severe financial crunch and as such is unable to generate internal resources to meet the capital investment.

ANNEXURE

TECHNOLOGY ACQUISITION IN ITI

S.No.	Product	Collaborator	Present status
1	2	3	4
1.	GSM	Alcatel, France	Capacity to manufacture GSM-BTS for 3 million lines installed both at Mankapur & Raebareli plants and available orders

1	2	3	4
			<p>from BSNL & MTNL are under execution. Order for 18 million lines is awaited from BSNL out of which 25% will be 3G. Discussions are on with Alcatel to take up manufacture of 3G equipments. ITI is also executing export order from Alcatel.</p> <p>Raebareli plant is also manufacturing Shelters and Roof Top Towers & SMPS required for GSM network.</p> <p>Installation & Commissioning work for the West Zone is being done by redeploying the surplus manpower after imparting suitable training.</p>
2.	ADSL-DSLAM Mfg.	Alcatel Shanghai Bell (ASB), China	A capacity of 2 million lines planned. Government approval for TOT has been received.
3.	WLL-CDMA	ZTE, China	At present SKD level manufacture is being done at Bangalore plant. Government approval for TOT for CKD level manufacture awaited.
4.	IFWT	Arasor, USA	<p>At present SKD level manufacture is being done at Bangalore Plant.</p> <p>Discussions are on with Arasor to take up component level manufacture.</p>
5.	NGN-IP TAX	Technology partner under scan	No orders are available at present.

1	2	3	4
6.	SSTP	Tekelec, USA	Initial order from BSNL for Rs. 19 Crs supplied. Further order of Rs. 60 crore has been received from BSNL.
7.	Smart/SIM card	G&D, India	The present capacity of 10 million Nos. is planned to be increased to 20 million Nos. to meet the anticipated additional demand for SIM cards. Bulk orders for National ID card project is awaited.
8.	Antenna for GSM/CDMA networks	Mobi Technologies, China	SKD level production has been started at Bangalore plant.
9.	Microwave equipments for GSM/CDMA networks	SAF, Latvia	15 GHz and 18 GHz Microwave equipments are planned to be manufactured at Bangalore plant.
10.	SDH equpts (STMs 1,4,16)	Tejas, India	Orders are under execution by Naini plant.
11.	DWDM	ZTE, China	Orders are under execution.
12.	MLLN	Tellabs, Denmark	Orders for MLLN network expansion to the tune 250 crore received from BSNL.

NEW PRODUCTS UNDER CONSIDERATION
FOR MANUFACTURE

1.	WI-MAX/ WI-MAX CPEs	Alcatel & CARC, Chennai	Discussions are under progress for a Technological tie-up.
2.	G-PON	Alphions, USA	Discussions are under progress for a Technological tie-up.
3.	Broadband Cor-DECT [EDWAS]	Midas, Chennai	Discussions are under progress for a Technological tie-up.

1	2	3	4
4.	Fixed Cellular Telephones (FCT)-GSM	Arasor, USA	Discussions are under progress for a Technological tie-up.
5.	Media Gateway (MGW)	Alcatel, France	Discussions are under progress for a Technological tie-up.
6.	CLIP Telephone	Priyaraj Electronics	ITI has received TSEC Certification for the product. Available orders are under execution.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

Comments of the Committee

(Please see Paragraph No. 27 of the Chapter-I)

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES ARE OF INTERIM NATURE

Recommendation (Para No. 12)

The Committee note that one of the thrust areas of the Department is to provide broadband coverage for all Secondary and Higher Secondary Schools by 2007 and Public Health Care Centres by 2010. Moreover, the year 2007 has been declared by the Government as the 'Year of the Broadband'. In order to achieve the objective, a target of 6.5 million broadband connections, in addition to the existing 2.5 million such connections, has been set to be accomplished by December, 2007. Out of the intended 6.5 million connections, 4.5 million connections will be provided by BSNL, 1 million by MTNL and the remaining 1 million by all the private operators. As regards the exact geographical spread of the broadband connections by the end of 2007, the Committee are informed that 800 towns have already been covered and 1,000 additional towns are being planned to be covered by December, 2007. So far as coverage of rural areas is concerned, the Committee find that all the one lakh Community Service Centres (CSCs), set up by the Department of Information Technology (DoIT) with an assured support of Rs. 170 crore, along with secondary schools, banks, health centres, panchayats, police stations etc. will be provided with broadband connectivity through 20,000 rural exchanges with Optical Fibre lines. The Committee also find that an Inter Ministerial Group (IMG) has been formed to work out the requirements of various user Departments/Ministries for planning the roll out of Broadband Infrastructure in rural areas with support from Universal Service Obligation Fund (USOF). The Group is expected to indicate the scope of demand from various Ministries/Departments within a month's time following which USOF will float a tender for broadband connectivity. It is expected that 90 percent of the roll out of wireless broadband connectivity will be completed by the end of 2007 and complete roll out by March, 2008. While welcoming such an ambitious target set for the broadband coverage of both urban and rural areas, the Committee would like the Department to ensure that there are no fund and procedural constraints for embarking upon such a challenging mission. The Committee also recommend that DoT should work in tandem with other Ministries/Departments and periodically monitor the

performance of the service providers so that broadband connectivity, as envisaged, is provided in both urban and rural areas to enhance the quality of life there through tele-density, tele-medicine, e-governance etc.

Action Taken by the Government

The USOF is working on a scheme for providing financial assistance by way of subsidy for the broadband active infrastructure such as BTS (Base Transmitting Station) and by utilizing the existing passive infrastructure available with the Telecom service providers.

The detailed scheme in this regard shall be prepared taking into consideration the views, suggestions and comments from the stakeholders and other Ministries/Departments.

The proposed rural broadband connectivity will cover Gram Panchayats, Higher Secondary Schools, Public Health Centres and Common Service Centres (CSCs) set up by DIT (Department of Information & Technology) in phased manner.

[Ministry of Communications & Information Technology/Department of Telecommunications O.M. No. 16-4/2007-B dated 30th July, 2007]

NEW DELHI;
3 December, 2007
12 Agrahayana, 1929 (Saka)

NIKHIL KUMAR,
Chairman,
Standing Committee on
Information Technology.

TARGETS & ACHIEVEMENT OF NE REGION STATES FOR 2006-07

Sl.No.	Name of State	Switching Capacity (Lines)		DELs (Nos.)		VPTs (Nos.)		UHF/Microwave (Rkms)		OFC (Rkms)	
		Target	Achi.	Target	Achi.	Target	Achi.	Target	Achi.	Target	Achi.
1.	Assam	—	176,124	67,500	214,006	2,675	2,942	0	0	710	630
2.	Meghalaya	—	26,852		35,310		85		8		7
3.	Mizoram	—	17,039	71,000	18,714	600	28	—	96	270	166
4.	Tripura	—	28,090		45,418		69		0		130
	NE-1	—	71,981	71,000	99,442	600	182	0	105	270	303
5.	Arunachal Pradesh	—	38,660		38,224		81		0		304
6.	Manipur	—	39,955	64,000	34,510	450	215	—	0	270	0
7.	Nagaland	—	14,117		45,579		61		0		67
	NE-2	—	92,732	64,000	118,313	450	357	0	0	270	371
8.	Sikkim	27,000	1,970	33,810	23,447	0	0	0	0	51	0
	NE Region	27,000	342,807	236,310	455,208	3,725	3,481	0	105	1,301	1,304

TRIBAL SUB PLAN — TARGETS & ACHIEVEMENT DURING 10TH FIVE YEAR PLAN

Sl.No.	Name of Scheme	Unit	During the year						During 10th Plan Period					
			2002-03		2003-04		2004-05		2005-06		2006-07			
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement		
1.	Telephone exchanges	Nos.	60	204	0	66	23	22	20	40	13	-3	116	329
2.	Switching Capacity	Lakh lines	3.15	4.62	3.00	2.95	2.76	2.08	13.64	11.41	3.34	10.81	25.89	31.87
3.	DELs	Lakh lines	2.50	2.69	2.70	2.34	2.82	2.98	10.08	9.79	1.72	9.33	19.82	27.13
4.	VPTs	Nos.	12000	14029	0	3082	2920	3719	10119	2583	818	-18069	26857	5344
5.	Microwave	RKMs	600	511.00									600	511
6.	Optical Fibre Cable	RKMs	1000	6584	600	2210	2422	1912	4134	1330	342	775	8498	12811

ANNEXURE C

CIRCLE-WISE WAITING LIST OF LAND LINES, WLL & GSM
TELEPHONES AS ON 31.03.2007

Sl.No.	Name of circle	Waiting list as on 31.03.2007		
		Land line	WLL	CMTS
1	2	3	4	5
1.	Andaman and Nicobar	750	0	0
2.	Andhra Pradesh	15,862	7,110	0
3.	Assam	8,080	742	0
4.	Bihar	61,542	0	0
5.	Chhattisgarh	35	0	0
6.	Gujarat	54,180	0	0
7.	Haryana	6,717	0	0
8.	Himachal Pradesh	25,657	0	0
9.	Jammu and Kashmir	38,552	0	0
10.	Jharkhand	1,907	923	0
11.	Karnataka	63,834	8,170	0
12.	Kerala	133,218		0
13.	Madhya Pradesh	11,409	83,211	0
14.	Maharashtra	64,932	61,353	0
15.	North East-1	930	389	0
16.	North East-2	1,794	0	15,506
17.	Orissa	11,701	11,461	0
18.	Punjab	1,382	0	0
19.	Rajasthan	61,055		0
20.	Tamil Nadu	3,163	0	0

1	2	3	4	5
21.	Uttaranchal	166	0	0
22.	Uttar Pradesh East	38,916	5,514	0
23.	Uttar Pradesh West	3,197	28	0
24.	West Bengal	99,376	0	0
25.	Kolkata	1,080	0	0
26.	Chennai	1,21	0	0
	Total	710,556	178,901	15,506

APPENDIX I

MINUTES OF SEVENTH SITTING OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2007-2008)

The Committee sat on Friday, the 30th November, 2007 from 1630 hrs. to 1815 hrs. in Committee Room No. G-074, Parliament Library Building, New Delhi.

PRESENT

Shri Nikhil Kumar — *Chairman*

MEMBERS

Lok Sabha

2. Shri Abdullakutty
3. Shri Ramesh Dube
4. Shri Nikhil Kumar Choudhary
5. Shri G. Nizamuddin
6. Shri Badiga Ramakrishna
7. Shri Tufani Saroj
8. Shri Tathagata Satpathy
9. Shri K.V. Thangka Balu

Rajya Sabha

10. Shri N.R. Govindrajar

SECRETARIAT

- | | | |
|-----------------------|---|-------------------------|
| 1. Shri P. Sreedharan | — | <i>Joint Secretary</i> |
| 2. Shri P.C. Koul | — | <i>Deputy Secretary</i> |
| 3. Shri D.R. Mohanty | — | <i>Under Secretary</i> |

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. Thereafter, the Committee considered and adopted the following Draft Reports:—

(i) ***

(ii) Draft Report on action taken by the Government on the recommendations/observations of the Committee contained in their Forty-Fourth Report on Demands for Grants (2007-2008) relating to the Ministry of Communications and Information Technology (Department of Telecommunications).

(iii) *** *** ***

(iv) *** *** ***

3. The Committee, then, authorised the Chairman to finalise the abovesaid Draft Reports and present the same to the House.

The Committee, then, adjourned.

***Matter not related to this Report.

APPENDIX II

[Vide Paragraph No. 5 of Introduction]

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE FORTY-FOURTH REPORT (FOURTEENTH LOK SABHA) OF THE COMMITTEE

- (i) Recommendations/Observations which have
been accepted by the Government:

Sl. Nos. : 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13,
14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25,
26, 27, 29, 30, 36, 37, 38 and 40

Total : 32
Percentage : 80%

- (ii) Recommendations/Observations which the
Committee do not desire to pursue in view
of the replies of the Government:
Sl. Nos. : 28 and 39

Total : 02
Percentage : 5%

- (iii) Recommendations/Observations in respect of
which replies of the Government have not
been accepted by the Committee and which
require reiteration:
Sl. Nos. : 31, 32, 33, 34 and 35

Total : 05
Percentage : 12.5%

- (iv) Recommendations/Observations in respect
of which replies are of interim nature:
Sl. No. : 12

Total : 01
Percentage : 2.5%

FIFTY-SECOND REPORT
STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2007-2008)

(FOURTEENTH LOK SABHA)

MINISTRY OF COMMUNICATIONS AND
INFORMATION TECHNOLOGY
(DEPARTMENT OF TELECOMMUNICATIONS)

*[Action Taken by Government on the Recommendations/Observations of the
Committee contained in their Forty-Fourth Report (Fourteenth Lok Sabha)
on Demands for Grants (2007-2008)]*

Presented to Lok Sabha on 04.12.2007

Laid in Rajya Sabha on 05.12.2007



LOK SABHA SECRETARIAT
NEW DELHI

December, 2007/Agrahayana, 1929 (Saka)

C.I.T. No. 174

Price : Rs. 84.00

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	(i)

COMPOSITION OF THE STANDING COMMITTEE
ON INFORMATION TECHNOLOGY
(2007-2008)

Shri Nikhil Kumar — *Chairman*

MEMBERS

Lok Sabha

2. Shri Abdullakutty
3. Shri Ramesh Dube
4. Shri Nikhil Kumar Choudhary
5. Shri Sanjay Shamrao Dhotre
6. Smt. Jayaprada
7. Shri Narahari Mahato
8. Shri Bhubaneshwar Prasad Mehta
9. Shri Harish Nagpal
10. Shri G. Nizamuddin
11. Shri Sohan Potai
12. Shri Lalmani Prasad
13. Kunwar Jitin Prasad
14. Shri Badiga Ramakrishna
- **15. Prof. Prem Kumar Dhumal
16. Shri Tufani Saroj
17. Shri Tathagata Satpathy
18. Smt. Rubab Sayeda
19. Shri K.V. Thangka Balu
20. Shri P.C. Thomas
21. Shri Kinjarapu Yerrannaidu

** Nominated *w.e.f.* 5 October, 2007 *vice* Vishnu Deo Sai ceased to be a member of this Committee *w.e.f.* 30 August, 2007.

Rajya Sabha

22. Shri Praveen Rashtrapal
23. Shri Ravi Shankar Prasad
24. Shri Dara Singh
25. Shri A. Vijayaraghavan
26. Shri N.R. Govindraj
27. Shri Motiur Rahman
28. Shri Eknath K. Thakur
29. Shri Shyam Benegal
30. Shri Rajeev Chandrasekhar
- *31. Shri Gireesh Kumar Sanghi

SECRETARIAT

1. Shri M. Rajagopalan Nair — *Additional Secretary*
2. Shri P. Sreedharan — *Joint Secretary*
3. Shri P.C. Koul — *Deputy Secretary*
4. Shri D.R. Mohanty — *Under Secretary*

*Nominated *w.e.f.* 24 August, 2007.

INTRODUCTION

I, the Chairman Standing Committee on Information Technology (2007-2008) having been authorised by the Committee to submit the Report on their behalf, present this Fifty-Second Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in their Forty-Fourth Report (Fourteenth Lok Sabha) on 'Demands for Grants (2007-2008)' relating to the Ministry of Communications and Information Technology (Department of Telecommunications).

2. The Forty-Fourth Report was presented to Lok Sabha on 27 April, 2007 and laid on the Table of Rajya Sabha on the same day. The Department furnished Action Taken Notes on the Recommendations/Observations contained in the Report on 31 July, 2007.

3. The Report was considered and adopted by the Committee at their sitting held on 30 November, 2007.

4. For facility of reference and convenience Recommendations/Observations of the Committee have been printed in bold letters in the body of the Report.

5. An analysis of Action Taken by Government on the recommendations/observations contained in the Forty-Fourth Report (Fourteenth Lok Sabha) of the Committee is given at Appendix-II.

NEW DELHI;
3 December, 2007

12 Agrahayana, 1929 (Saka)

NIKHIL KUMAR,
Chairman,
Standing Committee on
Information Technology.

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**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2007-2008)**

FOURTEENTH LOK SABHA

**MINISTRY OF COMMUNICATIONS AND
INFORMATION TECHNOLOGY
(DEPARTMENT OF TELECOMMUNICATIONS)**

*[Action Taken by Government on the Recommendations/Observations of the
Committee contained in their Forty-Fourth Report (Fourteenth Lok Sabha)
on Demands for Grants (2007-2008)]*

FIFTY-SECOND REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2007/Agrahayana, 1929 (Saka)