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**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2015-16)**

SIXTEENTH LOK SABHA

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

**[Action Taken by the Government on the Observations/Recommendations of the Committee
contained in their Seventh Report (Sixteenth Lok Sabha) on 'Demands for Grants (2015-16)']**

TWENTY-FIRST REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2015/Agrahayana, 1937 (Saka)

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**Presented to Lok Sabha on 21.12.2015
Laid in Rajya Sabha on 21.12.2015**



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2015/Agrahayana, 1937 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2015-16)**

Shri Anurag Singh Thakur - Chairperson

Lok Sabha

2. Shri L. K. Advani
3. Shri Prasun Banerjee
4. Dr. Sunil Baliram Gaikwad
5. Shri Hemant Tukaram Godse
6. Dr. Anupam Hazra
7. Dr. Jayakumar Jayavardhan
8. Shri P. Karunakaran
9. Shri Virendra Kashyap
10. Shri Harinder Singh Khalsa
11. Shrimati Hema Malini
12. Shri Keshav Prasad Maurya
13. Ms. Mehbooba Mufti
14. Dr. K.C. Patel
15. Shri Raosaheb Danve Patil
16. Shri Paresb Rawal
17. Dr. (Shrimati) Bharatiben Dhirubhai Shiyal
18. Shri Abhishek Singh
19. Shri D.K. Suresh
20. Shri Ramdas C. Tadas
21. Shrimati R. Vanaroja

Rajya Sabha

22. Shri Javed Akhtar
23. Shri Salim Ansari
24. Shrimati Jaya Bachchan
25. Shri Vijay Jawaharlal Darda
26. Shri Meghraj Jain
27. Shri Santiuse Kujur
28. Shri Derek O'Brien
29. Dr. K.V.P. Ramachandra Rao
30. Shri Sachin Ramesh Tendulkar
31. Mahant Shambhuprasadji Tundiya

Secretariat

- | | | | |
|----|-----------------------|---|----------------------|
| 1. | Shri K. Vijaykrishnan | - | Additional Secretary |
| 2. | Shri J. M. Baisakh | - | Director |
| 3. | Dr. Sagarika Dash | - | Deputy Secretary |
| 4. | Shri Shangreiso Zimik | - | Under Secretary |

INTRODUCTION

I, the Chairperson, Standing Committee on Information Technology (2015-16) having been authorized by the Committee, do present the Twenty-First Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Seventh Report (Sixteenth Lok Sabha) on 'Demands for Grants (2015-16)' of the Ministry of Communications and Information Technology (Department of Telecommunications).

2. The Seventh Report was presented to Lok Sabha/Laid on the Table of Rajya Sabha on 24th April, 2015. The Department of Telecommunications furnished their Action Taken Notes contained in the Seventh Report (Sixteenth Lok Sabha) on 27th July, 2015.

3. The Report was considered and adopted by the Committee at their sitting held on 18th December, 2015.

4. For facility of reference and convenience Observations/Recommendations of the Committee have been printed in bold in Chapter-I of the Report.

5. An analysis of Action Taken by the Government on the Observations/Recommendations contained in the Seventh Report (Sixteenth Lok Sabha) of the Committee is given at *Appendix-II*.

New Delhi;
18 December, 2015
27 Agrahayana, 1937(Saka)

ANURAG SINGH THAKUR,
Chairperson,
Standing Committee on
Information Technology.

CHAPTER-I

REPORT

This Report of the Standing Committee on Information Technology deals with the action taken by the Government on the Observations/Recommendations of the Committee contained in their Seventh Report (Sixteenth Lok Sabha) on Demands for Grants (2015-16) relating to the Ministry of Communications and Information Technology (Department of Telecommunications).

2. The Seventh Report was presented to Lok Sabha/laid in Rajya Sabha on 24th April, 2015. It contained 11 Observations/Recommendations.

3. Action Taken Notes in respect of all the Observations/Recommendations contained in the Report have been received from the Department of Electronics and Information Technology and are categorized as under:-

- (i) Observations/ Recommendations which have been accepted by the Government
Rec. Sl. Nos.:- 1,2,3,4,5,6,9,10 and 11
- (ii) Observations/ Recommendations which the Committee do not desire to pursue in view of the replies of the Government
Rec. Sl. Nos.:- Nil
- (iii) Observations/ Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration
Rec. Sl. Nos.:-Nil.
- (iv) Observations/ Recommendations in respect of which final replies of the Government are still awaited
Rec. Sl. Nos.:- 7 and 8

4. The Committee trust that utmost importance will be given to implementation of the Observations/Recommendations accepted by the Government. The Committee further desire that Action Taken Notes on the Observations/Recommendations

contained in Chapter-I and final action taken replies to the Observations/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

A. National Optical Fibre Network (NOFN)

(Recommendation No.4)

6. The Committee, in their original Report, had recommended as under:-

“The Committee note that the NOFN Project is planned to connect 2.5 lakh Gram Panchayats in the country through optical fibre cable by 31 December, 2016, by utilizing the existing fibres of PSUs, viz. BSNL, Railtel and Power Grid Corporation and laying incremental fibre, wherever necessary, to bridge the connectivity gap between Gram Panchayats and Blocks. In the year 2014-15, an amount of Rs 1477.26 crore was allocated at BE which was reduced to Rs. 1308.41 crore at RE. The Department have informed the Committee that an amount of Rs.1351.86 crore has been finally released to the Bharat Broadband Network Limited (BBNL) during 2014-15. With regard to physical targets, it was planned to execute work for 1,00,000 Gram Panchayats which was revised to 50,000 GPs at RE and it was expected to cover about 20,000 GPs by the end of the last fiscal. The Committee have been further informed that the shortfall in achieving the target was mainly due to the non-availability of PLB ducts by CPSUs, delay in finalization of OFC trenching and laying of tenders by CPSUs and the extremely slow rate of progress by the executing agencies (CPSUs). The Committee recognise that issues like Right of Way (RoW) and limited availability of specialised agencies to carry out the NOFN work are some of the problems areas hindering the smooth implementation of the Scheme. The Department are stated to have addressed the issue of ROW by signing agreements with the respective State Governments, which would help to ease the problem in due course. With the increase in demand for laying of OFC, the number of expert agencies in the market which will undertake such jobs is likely to grow. The Committee have been apprised that the requisite eco-system is developing gradually and the pace of work under NOFN has gained momentum. Further, a Committee was constituted in January, 2015 under the direction of the Hon'ble Prime Minister to review the strategy and approach towards speedy implementation of the NOFN. The Committee have also been given to understand that States like Andhra Pradesh, Tamil Nadu and Gujarat have come up with models to align with the NOFN project under implementation in their respective States. The

Government may like to appropriately consider these proposals and also promptly follow up the recommendations of the Committee constituted under the direction of the Hon'ble Prime Minister, which has reportedly submitted its report to the Department. The Committee trust that all these measures, coupled with proactive approach of the Department, would result in the timely implementation of the NOFN Project. Since the shortfall in achieving the target during 2014-15 was mainly due to the slow pace of execution by Central Public Sector Undertakings (CPSUs) participating with BBNL, the Committee recommend that the extant system of monitoring instituted by BBNL needs to be tightened to make the CPSUs more accountable. The Committee are of the firm view that the success of NOFN, a project of national importance, is not only essential to the expansion of the telecom network, but will also provide the requisite infrastructure to support the 'Digital India' campaign of the Government. The Committee may be kept apprised of the progress of the NOFN Project."

7. The Department of Telecommunications in their action taken note have stated as under:-

"The optical fibre has predominantly reached state capitals, districts and blocks, at present. NOFN is planned to connect all the 2,50,000 Gram panchayats in the country through optical fibre utilizing existing fibers of PSUs viz. BSNL, RailTel and Power Grid and laying incremental fiber wherever necessary to bridge the connectivity gap between Gram Panchayats and Blocks, for providing broadband connectivity.

Government approved National Optical Fibre Network (NOFN) project at an estimated cost of about Rs. 20,100 Crore for effective provision of at least 100 Mbps bandwidth in all the estimated 2,50,000 Gram Panchayat (GPs) to be used by all categories of service providers on non-discriminatory basis. These access providers/service providers like mobile operators, Internet Service Providers (ISPs), cable TV operators, content providers can launch various services in rural areas. Various applications for e-health, e-education, e-governance etc. will be provided.

A Special Purpose Vehicle (SPV) viz. Bharat Broadband Network Limited (BBNL) has been established with an objective to create, operate, maintain and manage National Optical Fibre Network (NOFN) infrastructure.

Status as on 31.05.2015:

NOFN Project is envisaged as a Centre-State joint effort. State Governments are expected to contribute by way of not levying any RoW charges. This requires suitable tri-partite MoU to be signed by GOI, State Governments & BBNL. Tri-partite MoU has been signed with all states and Union Territories except Tamil Nadu and Lakshadweep.

The work has been distributed by BBNL to 3 CPSUs viz. BSNL, Railtel and Powergrid. Survey work and tenders for supply of material and execution of the project are underway by BBNL and 3 CPSUs.

Phase-I

The work of around 1,00,000 GPs under phase-I has been allocated to 3 CPSUs. Status of progress of work, as per the report submitted by CPSUs, is as follows:

- A. BSNL/PGCIL/RailTel have finalized tenders for trenching and pipe laying for **2,242** blocks.
- B. BSNL/PGCIL/RailTel have placed Purchase Orders for supply of **1, 99,926** km of PLB ducts and work has been started in **1,791** Blocks.

CPSU	District	Block	GPs	Incremental cable to be laid (km)	PLB laid (km)	OFC laid (km)
BSNL	408	2,105	82,121	1,73,430	54,203(31%)	37,822 (22%)
Railtel	45	231	10,680	20,819	4,430(21%)	1,717(8%)
PGCIL	37	386	8,255	21,612	8,257(38%)	3,110(14%)
Total	490	2,722	1,01,056	2,15,861	66,890(31%)	42,649 (20%)

No. of GPs where cable laying is completed - **19,440**.

Districts Completed

- 1. Kerala: All districts.
- 2. Karnataka: Mandya, Hassan, Chikmanglur.
- 3. Punjab: Chandigarh.
- 4. Puducherry: All districts.

The reasons for delay in the project are as given below:

(i) OFC laying is time intensive effort:

The project is of a mega nature widely dispersed across the country and to reach Fibre to the unreached areas which are rural and remote. The existing fibre (OFC) across the country of all operators is of the order of about 10 lakh km. Out of the above, BSNL only has laid over 7 lakh km over the last 15 years.

(ii) Implementation capacity of 3 CPSUs:

The work execution capacity of CPSUs (mainly BSNL) over the last few years has been maximum in the range of 50,000-60,000 km per year. The execution capacity of PGCIL and Railtel combined is even less than that (<10,000 KMs per year).

(iii) Procurement of Material:

The major material requirements of this project are OFC, GPON equipment and PLB duct. While supply of OFC and GPON equipment has been addressed, the supply of PLB duct still remains a critical issue. The project entails approx. 6, 00,000 km of PLB duct. Besides this, BSNL and private Telecom operators also require PLB duct for their own projects. Due to this large requirement of PLB duct, the price discovered in the tenders is high. Therefore, to get a reasonable price, there is a need to stagger the procurement of PLB duct in phases over a period of time.

(iv) Labour Constraint:

Another component of the project is cable laying which is labour and time intensive. The project entails 6,00,000 km of trenching & cable laying. Besides this, BSNL and private telecom operators also have their own projects which have considerable labour requirement. In addition, there are various infrastructure projects under progress consuming a large amount of labour. This puts a constraint on availability of labour for execution of the project.

In view of the inordinately poor progress of the project over the last two years, a number of measures were instituted by the new Government to accelerate the pace of work. In addition to high level monitoring by MCIT and the Ministry, steps were taken to.

- a) empower the field units of BBNL and the 3 PSUs
- b) iron out constraints in supply of materials
- c) devolve greater autonomy on the implementing agencies and
- d) induct professionalism in the procurements and execution.

Pursuant to these stringent measures, the pace of work has accelerated by over 500% within the past seven months.

Constitution of Expert Committee:

- An expert committee was constituted in Jan 2015 to review the strategy and approach towards speedy implementation of NOFN. The committee has submitted its report which is under examination in the Ministry and discussions are on-going with State Governments to solicit their active participation & ownership in the project.
- 7 States have indicated willingness to take up a state led model of Bharat Net as per the enhanced architecture, while 7 others have agreed to get back with their responses within 15 days.”

8. The Committee, in their Original Report, had recommended for tightening of the extant system of monitoring instituted by BBNL to make the CPSUs more accountable in respect of meeting physical targets under the NOFN Project. Considering the fact that the success of NOFN, a project of national importance, is not only essential to the expansion of telecom network, but also aimed at providing the requisite infrastructure to support the ‘Digital India’ campaign of the Government, the Committee had desired the Department to apprise them of the progress of the project. The Committee note from the action taken notes that the executing capacity of the 3 CPSUs still remains extremely low. The status of achievement as on 31 May, 2015 indicates that under Phase-I, against the target of 100000 GPs, cable laying has been completed to only 19,440 GPs. At the present pace, the Committee feel that it will be extremely difficult to meet the target of achieving optical fiber connectivity to 2,50,000 GPs by 31 December, 2016. The apprehension of the Committee is further substantiated by the fact that when the project entails 6,00,000 km of trenching & cable laying, over the last few years, the maximum executing capacity of BSNL was in the range of 50,000-60,000 km per year and less than 10000 km in the case of RailTel and Power Grid. At this pace, achieving the target within the stipulated time by laying 6,00,000 km seems to be an extremely herculean task. Besides the low executing capacity of the 3 CPSUs, the project is being hampered by constraint in availability of material and labour. The Committee note that the major material requirements of this project are OFC, GPON equipment and PLB duct. While the supply of OFC and GPON equipment has been addressed, the supply of PLB duct still remains a critical issue.

Further, the Report of an Expert Committee on NOFN is under examination and discussions are in the process with the State Governments to solicit their active participation of ownership in the project. Though there has been some progress over the past seven months due to the measures taken by the Government, the Committee feel that issues relating to increasing the executing capacity of the CPSUs, and constraints in the supply of material and labour, need to be resolved on top priority. The Report of the Expert Committee should also be examined at the earliest while at the same time actively soliciting the co-operation of the State Governments by adopting the State-led Model. The Committee are of the considered view that NOFN/Bharat Net is an important pillar for the success of the 'Digital India' campaign as the project will provide the backbone for broadband and last mile connectivity in rural areas. Since the success of Digital India for transforming India into a digitally empowered and knowledge economy is directly dependent on the completion of the NOFN Project, the Committee desire that all-out efforts be made to ensure the success of the project in a time-bound manner.

B. Scheme for Mobile Communications Services in LWE affected areas

(Recommendation Sl. No. 5)

9. The Committee, in their original Report, had recommended as under:-

“The Committee note that under the Scheme, the Government have approved the proposal to install mobile towers at 2199 locations identified by the Ministry of Home Affairs in 10 States affected by Left Wing Extremism (LWE) areas. During the year 2014-15, an amount of Rs. 586.78 crore was allocated for the project at BE stage which was enhanced to Rs. 600 crore at RE stage. The actual utilization upto December, 2014 was Rs. 596.51 crore. With regard to physical achievements, the Committee note that as on 31 March, 2015, out of 2199 towers, 510 towers have been made functional. The Committee have been told that the remaining 1689 towers are expected to be installed and made operational within the targeted timeframe, i.e. September, 2015. During 2015-16, an allocation of Rs. 1230 crore has been proposed by the Department to execute the project. Considering that mobile connectivity in the rural areas has been identified as a thrust area by the Government, the Committee stress the need for timely completion of the project.

”

10. The Department of Telecommunications in their action taken note have stated as under:-

“On 20.08.2014, the Cabinet approved a project to provide mobile service at 2199 locations identified by Ministry of Home Affairs (MHA) in the States of Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Maharashtra, Madhya Pradesh, Odisha, Telangana, Uttar Pradesh and West Bengal, which are affected by Left Wing Extremism (LWE), to be funded by Universal Service Obligation Fund (USOF). The project would be executed by Bharat Sanchar Nigam Limited (BSNL). Installation and roll out in these areas is targeted to be completed in 12 months. Agreement between USOF and BSNL has been signed on 30.09.2014. BSNL has awarded the work to the successful bidders.

All out efforts are being made to complete the work within the targeted timeframe. Periodic meetings are being held in Department of Telecom with BSNL, executing agencies, State Governments and MHA to monitor the progress of the project. 510 sites out of original list of 2199 LWE sites provided by MHA have been made functional till 31.03.2015. An additional, 149 towers have been made functional as on 31.05.2015

The executing agencies, during the review meetings held by DoT, have reported problems related to land allotment, non-availability of maps and non-availability of Government officials to demarcate and handover the land. Some of the sites require permission to cut trees and blasting of rocks to install towers.

In respect of existing 25 towers in Chhattisgarh, 18 towers have been made functional by BSNL. As on 30.4.2015, Rs 596.51 crore has been disbursed to BSNL for the scheme.”

11. While observing that out of the 2199 towers, 510 towers have been made functional by 31st March, 2015 and the remaining 1689 towers are expected to be installed and made operational within the targeted timeframe, i.e., September, 2015, the Committee had stressed the need for timely completion of the project. The Department of Telecommunications, in their Action Taken Note, have stated that in addition to 510 sites which have been made functional, 149 towers have since been made functional as on 31st May, 2015. Besides this, out of the 25 existing towers in Chhattisgarh, 18 towers have been made functional by BSNL. For the implementation of the Scheme, an amount of Rs. 596.51 crore has also been disbursed to BSNL as on

30 April, 2015. The Department have also stated that during the review meetings, the executive agencies have reported problems related to land allotment, non-availability of maps and Government officials to demarcate and handover the land, and permission to cut trees and blasting of rocks to install towers. The Committee feel that the target of setting up all the 2199 towers need hardly be over-emphasized, particularly in view of the fact that providing connectivity in the areas will give succour to people living in the LWE affected areas. Also, considering the fact that this Scheme is an important component of the Government's effort to improve connectivity in the rural areas, the Committee desire that all the problems identified during the review meetings should be addressed expeditiously and solutions worked out. The Committee may be apprised of the progress made in this regard.

C. OFC based network for Defence Services

(Recommendation No.6)

12. The Committee, in their original Report, had recommended as under:-

“OFC based network for the Defence Services (DS) is one of the very crucially important schemes being implemented by DoT for creating an alternate communication network for the Defence Services for release of Spectrum. The project involves laying of around 57000 km of OFC. During 2014-15, an amount of Rs. 3065 crore was allocated at BE which was reduced to Rs. 425 crore at RE. The actual utilization upto February, 2015 was Rs. 355.07 crore. According to the Department, funds could not be expended during the first two quarters of the past fiscal on account of delay in finalisation of tenders for laying of optical fibre and litigation involved in the tenders for electronic equipment. The Committee have been apprised that the project has now been divided into 7 packages and the physical work in all packages is underway; the litigation part is also getting resolved. The Committee have further been informed that the project will be completed by the year 2016-17. The Committee recommend that every step should be taken by the Department for the expeditious completion of the project by the envisaged timeframe. The creation of an alternate communication network would create a secure and robust connectivity for the Defence Forces and also lead to release of more spectrum for mobile services. “

13. The Department of Telecommunications in their action taken note have stated as under:-

“Department of Telecommunications (DoT) is constantly monitoring the implementation of Network For Spectrum (NFS) by holding review meetings at regular intervals. These meetings are held at the level of Secretary, Department of Telecommunications. The representatives of Defence Forces are also involved in these review meetings. As on date, out of 57000 km, around 9500 km of OFC has been laid. The whole project is divided into various components. The tenders for all the components except for Unified Network management System (UNMS) has been floated and are at various stages of finalization. Although there has been some delay in the project, due to constant and periodic monitoring, the pace of implementation has been expedited.”

14. The Committee, in their Original Report, had noted that the OFC based network for the Defence Services (DS) is one of the crucial Schemes being implemented by DoT for creating an alternate communication network for the Defence Services for release of Spectrum. While observing that the project has been divided into 7 packages and the physical work in all packages is underway that the litigation part is also getting resolved and that the project is scheduled to be completed by the year 2016-17, the Committee had recommended that every step should be taken by the Department for the expeditious completion of the project by the envisaged timeframe. The Committee, however, note with concern that there is not much progress of the project as out of 57000 km, only around 9500 km of OFC has been laid as on date which is just 12.85 percent. The tenders for the Unified Network Management System (UNMS) has also not been floated yet. Even the tenders floated for other components are still at various stages of finalization. Since the project is aimed at creating a secured and robust connectivity for the Defence Forces and also lead to release of more spectrum for mobile services, the Committee desire that all the necessary measures for floating of tender for UNMS and finalization of tenders for other components should be completed at the earliest. The Committee trust the Department will take concrete action in this direction and implement the project expeditiously.

Chapter-II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

(Recommendation Sl. No. 1)

DoT Budget

The Department of Telecommunications (DoT) have laid the Detailed Demands for Grants (2015-16) in Lok Sabha on 18th March, 2015 for a total amount of Rs. 15,874.60 crore, consisting of Rs. 7599.95 crore under the Plan head and Rs. 8274.65 crore under Non-Plan. An analysis of the financial performance for the year 2014-15 reveals that there was gross under- utilization of funds under the Plan head. During 2014-15, under the Plan head, an amount of Rs. 11037 crore was allocated at BE which was reduced to Rs. 5057.56 crore at RE stage. The actual utilization upto February, 2015 was only Rs. 4284.47 crore, which is just 38.81 per cent of the BE allocation. Of course, the Department have been able to expend 84.71 per cent of the funds against the RE allocation. The matter of under-utilization of funds is even more distressing when one examines the utilization of funds under the Plan Capital section alone. Under the Plan Capital Section, an amount of Rs. 3702 crore was allocated at BE during 2014-15 which was reduced to Rs. 641.15 crore at RE stage and the actual utilization up to February, 2015 was only Rs. 553.52 crore. A close scrutiny of expenditure during the first two quarters of 2014-15, i.e. up to September, 2014, indicates that except under WMO and NICF, where funds could be used marginally, expenditure was nil in respect of major schemes like OFC (DS), ITI and TEC. The delay in finalization of tenders by BSNL for laying of optical fibre under the DS scheme, delay in getting approval for utilization of funds under NICF, reduction in allocation from Rs. 460 crore at BE to Rs. 192 crore at RE under ITI, delay in approval of tender for EMF measuring instrument and project estimates of labs under TEC, etc., have been cited as some of the major reasons for under-utilization of funds under Plan Capital Section. The Committee take note of the reasons attributed for the non-utilisation of funds under these schemes and, to some extent, appreciate that execution of major schemes obviously involve some gestation period. Nonetheless, the Committee are constrained to point out that with prudent planning, the Department could have ensued a better performance.

The Committee note that in the year 2015-16, the Department have been allocated an amount of Rs. 7599.95 crore at BE which is Rs. 3437.05 crore less than the allocation made at BE under Plan head during the previous year. The Committee have been given to understand that this is mainly due to decrease in the allocation made in the two major components of the Annual Plan of the Department, i.e. USOF and OFC (DS). The Department have stated that the reduced allocation of funds under GBS will have an adverse impact on the implementation of major schemes. In this regard, the Department have submitted that the matter has been reportedly taken up with the Ministry of Finance for enhancing the ceiling of BE 2015-16. The Committee find that expenditure has picked up in the 3rd & 4th quarters of 2014-15 and major schemes like

NOFN and LWE are under active implementation. The Committee desire that the Department should closely monitor the implementation of these schemes in the current fiscal, and strive towards maximum utilisation of the allocated funds. The Committee also recommend that the Department should pursue the matter of enhanced allocations with the Ministry of Finance (MoF) so as to obviate any possible adverse impact on the execution of Plan schemes.

Reply of the Government

An amount of Rs. 7599.95 crore has been allocated in BE 2015-16 by the Ministry of Finance which is not sufficient for implementation of major schemes. In regard to additional requirement of funds, matter has also been taken up with Ministry of Finance at Hon'ble Ministers' level for enhancement of allocations under various heads in Plan/Non-Plan segment vide this office D.O nos. 1-14/2014-B (Part-II)/594 dated 08th April 2015 and dated 22 June 2015 (Annexure I & II) .

Further, it is submitted that during the F/Y 2014-15 the total Plan allocation in BE was Rs.11037 Crore and Rs 3537 Crore was for all the schemes of USOF. Due to trend of expenditure, RE for the F/Y 2014-15 was reduced to Rs 2086.98 crore and the same has been fully utilized.

For the year 2015-16, under B.E., Rs.12600 crore was asked for. The details are as under:

S.No.	Name of Scheme	Proposed Amount
1	NOFN	9335.00
2	RDELs –P*	1250.00
3	LWE	1234.00
4	Comprehensive Telecom Development Plan for NE Region	576.00
5	Other on going schemes	205.00
	Total	12600.00

*Subsidy support for sustenance of rural wire line connections installed before 01.04.2002 for the period of one year w.e.f 18.07.2012 to 17.07.2013 as per TRAI recommendation.

However, only Rs. 2400 crore has been allotted for FY 2015-16.

As advised by Standing Committee, matter has been taken up with the Ministry of Finance at highest level.

Implementation status of NOFN and LWE projects.

National Optical Fibre Network (NOFN):

The optical fibre has predominantly reached state capitals, districts and blocks, at present. Under NOFN it is planned to connect all the 2,50,000 Gram panchayats in the country through optical fibre utilizing existing fibers of PSUs viz. BSNL, RailTel and Power Grid and laying incremental fiber wherever necessary to bridge the connectivity gap between Gram Panchayats and Blocks, for providing broadband connectivity.

Government approved National Optical Fibre Network (NOFN) project at an estimated cost of about Rs. 20,100 Crore for effective provision of at least 100 Mbps bandwidth in all the estimated 2,50,000 Gram Panchayat (GPs) to be used by all categories of service providers on non-discriminatory basis. These access providers/service providers like mobile operators, Internet Service Providers (ISPs), cable TV operators, content providers can launch various services in rural areas. Various applications for e-health, e-education, e-governance etc. will be provided.

A Special Purpose Vehicle (SPV) viz. Bharat Broadband Network Limited (BBNL) has been established with an objective to create, operate, maintain and manage National Optical Fibre Network (NOFN) infrastructure.

Status as on 31.05.2015:

NOFN Project is envisaged as a Centre-State joint effort. State Governments are expected to contribute by way of not levying any RoW charges. This requires suitable tri-partite MoU to be signed by GOI, State Governments & BBNL. Tri-partite MoU has been signed with all states and Union Territories except Tamil Nadu and Lakshadweep.

The work has been distributed by BBNL to 3 CPSUs viz. BSNL, Railtel and Powergrid. Survey work and tenders for supply of material and execution of the project are underway by BBNL and 3 CPSUs.

Phase-I

The work of around 1,00,000 GPs under phase-I has been allocated to 3 CPSUs. Status of progress of work, as per the report submitted by CPSUs, is as follows:

- D. BSNL/PGCIL/RailTel have finalized tenders for trenching and pipe laying for **2,242** blocks.
- E. BSNL/PGCIL/RailTel have placed Purchase Orders for supply of **1, 99,926** km of PLB ducts and work has been started in **1,791** Blocks.

CPSU	District	Block	GPs	Incremental cable to be laid (km)	PLB laid (km)	OFC laid (km)
BSNL	408	2,105	82,121	1,73,430	54,203 (31%)	37,822 (22%)
Railtel	45	231	10,680	20,819	4,430 (21%)	1,717 (8%)
PGCIL	37	386	8,255	21,612	8,257 (38%)	3,110 (14%)
Total	490	2,722	1,01,056	2,15,861	66,890 (31%)	42,649 (20%)

No. of GPs where cable laying is completed - **19,440**.

Districts Completed

1. Kerala: All districts.
2. Karnataka: Mandya, Hassan, Chikmanglur.
3. Punjab: Chandigarh.
4. Puducherry: All districts.

In view of the inordinately poor progress of the project over the last two years, a number of measures was instituted by the new Government to accelerate the pace of work. In addition to high level monitoring by MCIT and the Ministry, steps were taken to

- a) empower the field units of BBNL and the 3 PSUs.
- b) iron out constraints in supply of materials.
- c) devolve greater autonomy on the implementing agencies and
- d) induct professionalism in the procurements and execution.

Pursuant to these stringent measures, the pace of work has accelerated by over 500% within the past seven months.

Constitution of Expert Committee:

- An expert committee was constituted in Jan 2015 to review the strategy and approach towards speedy implementation of NOFN. The committee has submitted its report which is under examination in the Ministry and discussions are on-going with State Governments to solicit their active participation & ownership in the project.
- 7 States have indicated willingness to take up a state led model of Bharat Net as per the enhanced architecture, while 7 others have agreed to get back with their responses at the earliest.

2. Scheme for Mobile Communications Services in LWE affected areas

All efforts are being made to complete the work within the targeted timeframe. Periodic review meetings are being held by the Department of Telecom with BSNL, executing agencies, State Governments and MHA to monitor the progress of the project. 510 sites out of original list of 2199 LWE sites provided by MHA have been made functional till 31.03.2015. Remaining towers are targeted to be completed by March 2016.

The executing agencies, during the review meetings held by DoT, have reported problems related to land allotment, non-availability of maps and non-availability of Government officials to demarcate and handover the land. Some of the sites require permission to cut trees and blasting of rocks to install towers.

It is expected that on speedy execution of these schemes, funds will be fully and properly utilized.

(Ministry of Communications & Information Technology/Department of Telecommunications O. M. No. 16-3/2015-B dated 21.07.2015)

(Recommendation Sl. No. 2)

Expansion of Telecom Network in rural areas

The Indian Telecom Sector has grown exponentially in the recent years and has become the second largest network in the world. As per the latest assessment, the overall teledensity in the country is about 77.59 per cent. It is, however, disquieting to find that the share of rural teledensity accounts for only 46.14 per cent compared to the phenomenal increase in the urban teledensity, which stands at 147.75 per cent. In fact, the Committee observe that the teledensity in the rural areas has grown at a very slow pace. Some of the factors attributed to the low rural teledensity are the inaccessibility and remoteness of certain areas, high capital and operational expenditure not matched by revenue flows, and the requirement of viability gap funding. The Committee note that even in the absence of any Government intervention, teledensity in the country is presently growing at the rate of 5 per cent annually. In order to increase rural teledensity, the Government, in the Twelfth Plan, has envisaged a target of providing mobile access to all villages and increase rural teledensity to 70 per cent by the year 2017. The Committee are happy to find that the Government have taken several initiatives to achieve the 12th Plan targets in respect of the Department. Thus, various USOF funded schemes have been launched to provide viability gap funding which would go towards increasing rural teledensity. The other schemes being implemented under the USOF are the creation of Optical Fibre Cable (OFC) infrastructure through the National Optical Fibre Network (NOFN) helping to provide easy access, the Scheme for Mobile Communication Services in Left Wing Extremism (LWE) affected areas, the Comprehensive Telecom Development Plan for the North-Eastern Region and improving

telecom services in Andaman and Nicobar Islands and Lakshadweep. The Committee would like to stress that the Department should take concerted steps for the successful implementation of the USOF funded Schemes, so that all the 55000 villages will have mobile connectivity. The Committee trust that with the active intervention of the Government on the execution of the identified schemes, which are at different stages of completion, the vision of the 12th Plan to connect all villages by the year 2017 will materialise. The Committee will like to be kept informed of the progress achieved in this direction.

Reply of the Government

The Universal Service Obligation Fund (USOF) was formed by an Act of Parliament. It was established with the fundamental objective of providing access to 'basic' telecom services to people in the rural and remote areas at affordable and reasonable prices. Subsequently the scope was widened to provide subsidy support for enabling access of telecom services viz., mobile services, broadband connectivity and creation of infrastructure like OFC in rural and remote areas. The resources for implementation of USO are raised through a Universal Service Levy (USL), which is 5% of the Adjusted Gross Revenue (AGR) of all Telecom Service Providers except the pure value added service providers like Internet, Voice Mail, E-Mail service providers etc.

Various schemes are being implemented from time to time, with financial support from USOF, for providing telecom services in rural and remote areas. AS per TRAI report, the rural tele-density achieved till March 2015 is 48.37. The progress of various schemes of USOF for achieving increased penetration of telecom services in rural areas is as below:

(I) Village Public Telephones:

Under the scheme, Village Public Telephones (VPTs) are being provided at all inhabited villages as per census 2001, which have not been covered yet. An agreement to this effect was entered into with BSNL in 27th February 2009.

As on 31.03.2015, total 5,81,179 out of the 5,93,601 inhabited villages[i.e. 97.9%] of the country as per Census 2001 have been provided with Village Public Telephones (VPTs), with subsidy support from USOF.

(II) General Infrastructure Augmentation:

For provision of broadband in rural areas, sufficient back-haul capacity is required to integrate the voice and data traffic from the access network in the rural areas to their core network by strengthening the OFC network. Accordingly, this scheme considers OFC Network augmentation between the blocks' HQ and Districts' HQ to begin with. The States of Assam, Meghalaya, Manipur, Tripura, Mizoram, Arunachal Pradesh, & Nagaland have been taken up for implementation.

This OFC Schemes are based on BOO model, i.e. build, operate & own basis, and accordingly, the Telecom Service Providers, implementing the schemes would build, operate, own and manage all the equipment/infrastructure for the execution of the scheme.

All locations shall be connected on physical OFC Ring Route(s) with the DHQ node ensuring the cable route diversity and ring capacity of at least 2.5 Gbps, with the capability to efficiently transport various protocols, including TDM, IP, Frame Relay, etc., for integrated voice, data and video signals in all the specified districts.

The following Optical Fibre Network schemes have been taken up:

II(a) Optical Fibre Network Augmentation, Creation and Management of Intra-District SDHQ-DHQ OFC Network in Assam:

Brief and background note: The State of Assam has been taken up first for implementation. As per the outcome of the tender for implementation of this scheme in Assam, BSNL has been declared the successful bidder at a subsidy quote of Rs. 98.89 Crore, and subsequently, an Agreement has been signed with them on 12.02.2010 in this regard.

This OFC Scheme would connect 354 total locations in Assam in total 27 Districts in about 58 months from the date of signing of the Agreement i.e. by December 2014. The Agreement shall be valid for a period of ten years from the effective date.

At least 70% of the subsidized bandwidth capacity, created under the scheme, shall be shared with the licensed service providers in the area of Assam at a rate not more than 26.22 % of the current TRAI ceiling tariffs.

Present Status: As of April 2015, 308 nodes have been installed out of total 354 nodes. Proposal has been received from BSNL for dropping of 37 OFC nodes in view of various reasons viz. duplication of nodes, OFC not feasible etc. BSNL has further sought roll out extension for one year upto 31.12.2015 for commissioning of balance 9 nodes in two districts of Assam (North Cachar and Karbi Anglong). The proposals received from BSNL are under examination by USO Fund.

BSNL has cited the following reasons for delay in implementation of the scheme:

- i. Due to heavy rains in Assam, underground cable laying is not possible from May to October (about six months). Even after rainy season is over, it becomes impossible to lay underground cable due to subsoil water. Thus, actual time available for execution of the project is less than six months in a year. Further, due to frequent bandhs, economic blockades, law & order problems etc. the workable time period gets further reduced.

- ii. Limited numbers of contractors are available in Assam for laying of OFC cable. The contractors have limited resources and they mostly bring labourers from outside the region. They do not permit contractors of other area / State to take up the work in Assam.
- iii. There is an increased tendency on part of contractors to move to courts to challenge the usual tender conditions i.e. eligibility and experience criteria. Despite offering best possible defence, the court invariably grants stays which adversely affects the time schedule. In this case about 200 Route Kms was under litigation and as on date about 100 Route Kms involving about 5 Rings is still under litigation.
- iv. About 500 Kms. of cable laying work is involved in North Cachar (NC) Hills District, where it is extremely difficult to take up execution work due to law and order problems. Even Assam Government is also facing difficulty to take up any project in that area.
- v. Considerable time is lost in obtaining 'Right of Way' (RoW) permissions. The RoW permissions are normally delayed, due to the following reasons:-
 - a) The existing procedure takes long time and RoW Estimates from Road authorities are received after long delay.
 - b) Sometimes the RoW charges proposed by State Government are exorbitantly high. Such cases necessitate correspondence and follow up action with PWD, which results in delay in obtaining the RoW Permission.
 - c) RoW permission is denied wherever road widening is planned. In some of the cases though road widening is planned but land acquisition process is not complete. RoW permission in such cases is given after completion of land acquisition.

II(b) Optical Fibre Network Augmentation, Creation and Management of Intra-District SDHQ-DHQ OFC Network in NE-I Circle (comprising states of Meghalaya, Mizoram & Tripura):

Brief and background note: : The States of Meghalaya, Mizoram & Tripura have been taken up for OFC augmentation in this scheme. As per the outcome of the tender for implementation of this scheme, M/s RailTel Corporation of India Limited has been declared the successful bidder at their subsidy quote of Rs. 89.50 Crore.

This OFC Scheme would connect 188 locations in 19 Districts within 48 months from the date of signing of the Agreement i.e. by 15.01.2016. The Agreement shall be valid for a period of eight years from the date of signing of agreement i.e. 16.01.2012.

At least 70% of the subsidized bandwidth capacity, created under the scheme, shall be shared with the licensed service providers in the area at a rate not more than 12% of the current TRAI ceiling tariffs.

Present Status: Work for trenching and laying has been awarded in all the 23 districts in Meghalaya, Mizoram and Tripura. 1157 Km of duct has been laid while 849 km of OFC has been laid. As on 30.4.2015, total 92 nodes have been connected on OFC out of which 50 nodes have been commissioned in Tripura.

The following points/ issues being faced by RailTel are resulting in delay in creation of DHQ-SDHQ network NE-I Circle:

- i. Comprehensive physical & GIS based survey of the region completed in Sep'12.
- ii. Not many eligible bidders available in the region for execution of work.
- iii. No participation in tender by contractors in few sections.
- iv. Tender cancelled due to invariably high offers received.
- v. Tender finalization of Duct & OFC delayed due to high cost offers.
- vi. Verification of credentials of qualified bidders consumed considerable amount of time.

II(c) Optical Fibre Network Augmentation, Creation and Management of Intra-District SDHQ-DHQ OFC Network in NE-II Circle (comprising states of Arunachal Pradesh, Manipur & Nagaland):

Brief and background note: The States of Arunachal Pradesh, Manipur & Nagaland have been taken up for OFC augmentation in this scheme. As per the outcome of the tender for implementation of this scheme, M/s RailTel Corporation of India Limited has been declared the successful bidder at their subsidy quote of Rs. 298.50 Crore.

This OFC Scheme would connect 407 locations in total 30 Districts within 42 months from the date of signing of the Agreement i.e. by 15.07.2015. The Agreement shall be valid for a period of eight years from the date of signing of agreement i.e. 16.01.2012.

At least 70% of the subsidized bandwidth capacity, created under the scheme, shall be shared with the licensed service providers in the area at a rate not more than 27% of the current TRAI ceiling tariffs.

Present Status: Work for trenching and laying has been awarded in respect of 19 districts out of 36 districts in Arunachal Pradesh, Manipur and Nagaland while tenders are under process/ finalization for remaining 17 districts in these states. 1252 km duct has been laid while OFC has been laid for 248 km. 14 nodes have been connected on OFC but network rollout is yet to start in North East –II Telecom Circle. RailTel has sought roll out extension by one year upto 15.07.2016 for commissioning of balance nodes in the states of Manipur and Nagaland and upto December 2016 for balance nodes in the state of Arunachal Pradesh. The proposal received from RailTel is under examination by USOF.

The following points/ issues are resulting in delay in creation of DHQ-SDHQ network in NE-II Circle:

1. Comprehensive physical & GIS based survey of the region completed in Dec'2012 to arrive at incremental OFC to be laid.
2. Length of incremental OFC to be laid as per physical survey is about 13558 km, which is 4468 km more than the initial estimated length.
3. Capital expenditure increased by 80% due to increase in quantum of work.
4. Not many eligible bidders available in the region for execution of work.
5. No participation in tender by contractors in few sections.
6. Tender cancelled due to invariably high offers received.
7. Tender finalization of Duct & OFC delayed due to high cost offers verification of credentials of qualified bidders consumed considerable amount of time.

II(d) National Optical Fibre Network (NOFN):

The optical fibre has predominantly reached state capitals, districts and blocks, at present. NOFN is planned to connect all the 2,50,000 Gram panchayats in the country through optical fibre utilizing existing fibers of PSUs viz. BSNL, RailTel and Power Grid and laying incremental fiber wherever necessary to bridge the connectivity gap between Gram Panchayats and Blocks, for providing broadband connectivity.

Government approved National Optical Fibre Network (NOFN) project at an estimated cost of about Rs. 20,100 Crore for effective provision of at least 100 Mbps bandwidth in all the estimated 2,50,000 Gram Panchayat (GPs) to be used by all categories of service providers on non-discriminatory basis. These access providers/service providers like mobile operators, Internet Service Providers (ISPs), cable TV operators, content providers can launch various services in rural areas. Various applications for e-health, e-education, e-governance etc. will be provided.

A Special Purpose Vehicle (SPV) viz. Bharat Broadband Network Limited (BBNL) has been established with an objective to create, operate, maintain and manage National Optical Fibre Network (NOFN) infrastructure.

Status as on 31.05.2015:

NOFN Project is envisaged as a Centre-State joint effort. State Governments are expected to contribute by way of not levying any RoW charges. This requires suitable tri-partite MoU to be signed by GOI, State Governments & BBNL. Tri-partite MoU has been signed with all states and Union Territories except Tamil Nadu and Lakshadweep.

The work has been distributed by BBNL to 3 CPSUs viz. BSNL, Railtel and Powergrid. Survey work and tenders for supply of material and execution of the project are underway by BBNL and 3 CPSUs.

Phase-I

The work of around 1,00,000 GPs under phase-I has been allocated to 3 CPSUs. Status of progress of work, as per the report submitted by CPSUs, is as follows:

F. BSNL/PGCIL/RailTel have finalized tenders for trenching and pipe laying for **2,242** blocks.

G. BSNL/PGCIL/RailTel have placed Purchase Orders for supply of **1, 99,926** km of PLB ducts and work has been started in **1,791** Blocks.

CPSU	District	Block	GPs	Incremental cable to be laid (km)	PLB laid (km)	OFC laid (km)
BSNL	408	2,105	82,121	1,73,430	54,203(31%)	37,822(22%)
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Total	490	2,722	1,01,056	2,15,861	66,890(31%)	42,649(20%)

No. of GPs where cable laying is completed - **19,440**.

Districts Completed

5. Kerala: All districts.
6. Karnataka: Mandya, Hassan, Chikmanglur.
7. Punjab: Chandigarh.
8. Puducherry: All districts.

The reasons for delay in the project are as given below:

(v) OFC laying is time intensive effort:

The project is of a mega nature widely dispersed across the country and to reach Fibre to the unreached areas which are rural and remote. The existing fibre (OFC) across the country of all operators is of the order of about 10 lakh km. Out of the above, BSNL only has laid over 7 lakh km over the last 15 years.

(vi) Implementation capacity of 3 CPSUs:

The work execution capacity of CPSUs (mainly BSNL) over the last few years has been maximum in the range of 50,000-60,000 km per year. The execution capacity of PGCIL and Railtel combined is even less than that (<10,000 KMs per year).

(vii) Procurement of Material:

The major material requirements of this project are OFC, GPON equipment and PLB duct. While supply of OFC and GPON equipment has been addressed, the supply of PLB duct still remains a critical issue. The project entails approx. 6, 00,000 km of PLB duct. Besides this, BSNL and private Telecom operators also require PLB duct for their own projects. Due to this large requirement of PLB duct, the price discovered in the tenders is high. Therefore, to get a reasonable price, there is a need to stagger the procurement of PLB duct in phases over a period of time.

(viii) Labour Constraint:

Another component of the project is cable laying which is labour and time intensive. The project entails 6,00,000 km of trenching & cable laying. Besides this, BSNL and private telecom operators also have their own projects which have considerable labour requirement. In addition, there are various infrastructure projects under progress consuming a large amount of labour. This puts a constraint on availability of labour for execution of the project.

In view of the inordinately poor progress of the project over the last two years, a number of measures were instituted by the new Government to accelerate the pace of work. In addition to high level monitoring by MCIT and the Ministry, steps were taken to

- a) empower the field units of BBNL and the 3 PSUs.
- b) iron out constraints in supply of materials.
- c) devolve greater autonomy on the implementing agencies and
- d) induct professionalism in the procurements and execution.

Pursuant to these stringent measures, the pace of work has accelerated by over 500% within the past seven months.

Constitution of Expert Committee:

- An expert committee was constituted in Jan 2015 to review the strategy and approach towards speedy implementation of NOFN. The committee has submitted its report which is under examination in the Ministry and discussions are on-going with State Governments to solicit their active participation & ownership in the project.
- 7 States have indicated willingness to take up a state led model of Bharat Net as per the enhanced architecture, while 7 others have agreed to get back with their responses within 15 days.

(III) Scheme for Mobile Communication Services in Left Wing Extremism (LWE) affected Areas :

On 20.08.2014, the Cabinet approved a project to provide mobile service at 2199 locations identified by Ministry of Home Affairs (MHA) in the States of Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Maharashtra, Madhya Pradesh, Odisha, Telangana, Uttar Pradesh and West Bengal, which are affected by Left Wing Extremism (LWE), to be funded by Universal Service Obligation Fund (USOF). The project would be executed by Bharat Sanchar Nigam Limited (BSNL). Installation and roll out in these areas is targeted to be completed in 12 months. Agreement between USOF and BSNL has been signed on 30.09.2014. BSNL has awarded the work to the successful bidders.

All out efforts are being made to complete the work within the targeted timeframe. Periodic meetings are being held in Department of Telecom with BSNL,

executing agencies, State Governments and MHA to monitor the progress of the project. 510 sites out of original list of 2199 LWE sites provided by MHA have been made functional till 31.03.2015. An additional, 149 towers have been made functional as on 31.05.2015

The executing agencies, during the review meetings held by DoT, have reported problems related to land allotment, non-availability of maps and non-availability of Government officials to demarcate and handover the land. Some of the sites require permission to cut trees and blasting of rocks to install towers.

In respect of existing 25 towers in Chhattisgarh, 18 towers have been made functional by BSNL. As on 30.4.2015, Rs 596.51 crore has been disbursed to BSNL for the scheme..

(IV) Comprehensive Telecom Development Plan for the North-Eastern Region :

On 10.09.2014, the Union Cabinet approved a proposal to implement a Comprehensive Telecom Development Plan for the North-Eastern Region. The Project envisages to provide mobile coverage to 8621 identified uncovered villages, installation of 321 mobile tower sites along National Highways and strengthening of transmission network in the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. The estimated cost of implementation is Rs. 5336.18 crore. The Project would be funded by Universal Service Obligation Fund (USOF).

BSNL has been nominated to execute the work related to the provision of mobile services in two districts of Assam and in the State of Arunachal Pradesh. BSNL is preparing tender documents for the same.

BSNL has also been nominated to execute the work related to Transmission Media Plan in NER. BSNL has floated the tender and the same is under examination.

Gazette notification for Amendment of Indian Telegraph Rules for nomination of BSNL for the above schemes has been issued on 24.12.2014.

For the schemes of Provision of mobile services in uncovered villages in rest of NER and along National Highways in NER, the tender document is under preparation.

(V) Improving Telecom Services in Andaman & Nicobar Islands and Lakshadweep

Based on TRAI recommendations dated 22.07.2014 on 'Improving Telecom Services in Andaman & Nicobar Islands and Lakshadweep', Telecom Commission in its meeting held on 07.01.2014 approved in principle an Integrated and Comprehensive Telecom Development Plan for Andaman & Nicobar Islands and Lakshadweep with a total estimated investment of Rs 221.05 Crore, which includes

- ❖ Provision of 2G (voice) mobile coverage in uncovered villages in Andaman & Nicobar islands

- ❖ Provision of Seamless 2G (voice) mobile connectivity along NH223 in Andaman & Nicobar islands
- ❖ Provision of 10 BTSs for improvement of quality of service of 2G (voice) mobile coverage in Lakshadweep Islands
- ❖ Augmentation of satellite connectivity/ bandwidth in Andaman & Nicobar islands and Lakshadweep Islands
- ❖ Augmentation of Intra/Inter Island OFC network in Andaman & Nicobar islands

2. Direct communication link through a dedicated submarine OFC from Mainland India [Chennai Cable Landing Station (CLS)] to Andaman & Nicobar Islands [Port Blair CLS] has been planned as per decision taken in Planning Commission (Now Niti Aayog) on 02.05.2014.

3. The status of various components of the comprehensive telecom development plan of Andaman and Nicobar Islands and Lakshadweep is as given below:

A. Submarine OFC Connectivity from Mainland India (Chennai) to ANI:

(i) Project to be implemented in two phases:

Phase-I: Provision of submarine OFC from Chennai to Port Blair and to two other islands Car Nicobar and Little Andaman

Phase-II: Provision of submarine OFC to Havelock, Kamorta and Great Nicobar Islands (to be taken up on completion of the first phase).

(ii) TCIL asked by DoT in May'14 to prepare DPR based on desk top survey as per decision taken in Planning Commission.

(iii) Work Order awarded to TCIL on 10.02.15 for preparation of DPR based on DTS.

(iv) Final DPR received from TCIL on 18.5.2015.

B. Satellite Bandwidth Augmentation for Andaman & Nicobar Island:

(i) Work has been awarded to BSNL on nomination basis

(ii) Technical requirements & detailed cost for CAPEX estimates have been vetted by a technical group under Member (Technology) on the basis of DPR submitted by BSNL and approved by Telecom commission in meeting held on 22.4.2015.

(iii) Agreement to be signed with BSNL is under finalization

C. Augmentation of Intra Island OFC network for Andaman & Nicobar Island:

(i) Augmentation of bandwidth by enhancing the capacity of the network and providing OFC in ring configuration for providing redundancy in the land OFC network

(ii) Work has been awarded to BSNL on nomination basis

- (iii) Technical requirements & detailed cost estimates are being vetted by a technical group under Member (Technology) on the basis of DPR received from BSNL. DPR likely to be vetted by 30.6.2015 by the Technical Committee.

D. Provision of 2G (voice) mobile coverage in uncovered villages and along uncovered portions of NH223 for Andaman & Nicobar Island:

- i. 2G Mobile Connectivity by installing 109 BTSs to cover 109 uncovered villages and additional 72 uncovered villages directly/ incidental coverage with these 109 BTSs.
- ii. 2G Mobile connectivity to cover the entire 129 km of uncovered National Highway 223 subject to specific permission of the UT Administration along 80 km of the National Highway falling within Jarawa Tribal Reserve Belt.
- iii. Work is to be awarded through competitive bidding basis according to the normal mode of funding by USOF.
- iv. Work has been awarded to TCIL for preparation of DPR.
- v. TCIL has submitted the final DPR on 22.05.2015.

E. Submarine OFC Connectivity from Mainland India (Kochi) to Lakshadweep:

- i. TRAI recommended that keeping in view strategic importance of Lakshadweep, a secure and reliable connectivity should be established through a submarine cable. This cable will connect Kochi/Cochin with its headquarter i.e. Kavaratti and other major islands viz. Agatti, Androth, Kalpini, Amini and Minicoy. For this purpose 936 Km submarine cable may be laid with an estimated expenditure of Rs 468 crore.
- ii. While accepting the need to provide robust and reliable telecom connectivity to Lakshadweep Islands, Telecom Commission accorded 'in principle' approval to undertake a cost benefit analysis and feasibility study for laying submarine OFC in Lakshadweep along with validation of the estimated cost before proceeding ahead.
- iii. The work has been awarded to TCIL (in principle) on 25.5.2015.

F. Satellite Bandwidth Augmentation Lakshadweep Island:

- i. Work awarded to BSNL on nomination basis with estimated investment of Rs. 18.05 Crore towards CAPEX.
- ii. OPEX/ transponder charges to be funded by UT Administration/ MHA.
- iii. Technical requirements & detailed cost estimates being vetted by a technical group under Member (Technology) on the basis of DPR received from BSNL vide letter dated 16.01.2015. DPR likely to be vetted by 30.6.2015 by the Technical Committee.

G. Provision of 2G (voice) mobile coverage in Lakshadweep Islands:

- i. 10 new BTSs proposed to be installed for augmentation of 2G to improve the quality of service as per TRAI recommendations/ TC approval.
- ii. Work to be awarded through competitive bidding basis according to the normal mode of funding by USOF.
- iii. Work awarded to TCIL for preparation of DPR.
- iv. TCIL has submitted the Final DPR on 22.05.2015.

(VI) Mobile services in Uncovered villages

A scheme to extend financial support from USO Fund for provisioning of mobile communication services in inhabited uncovered villages of the country not having mobile coverage is under consideration.

An exercise was undertaken by DoT to identify uncovered villages as per Census 2011 which do not have mobile connectivity in the country. Tower location data and village coverage data was obtained from all service providers and gaps in connectivity have been identified with the assistance of M/s TCIL. It is estimated that there are about 55,669 villages in the country that do not have mobile coverage.

Providing mobile coverage to the 8,621 uncovered villages in the North Eastern Region (NER) has been taken up initially as part of Comprehensive Telecom Development Plan for NER. The tender document is under preparation.

Mobile coverage for the balance uncovered villages is proposed to be provided in a phased manner over five years. Preparation of Detailed Project Report (DPR) for Himalayan States (Jammu & Kashmir, Himachal Pradesh and Uttarakhand) and Border States (Rajasthan, Punjab, Haryana and Gujarat) is under process.

(Ministry of Communications & Information Technology/Department of Telecommunications O. M. No. 16-3/2015-B dated 21.07.2015)

(Recommendation Sl. No. 3)

Utilization of funds under Universal Service Obligation Fund (USOF)

The Committee find that during 2014-15, an amount of Rs. 3537 crore was allocated at BE which was reduced to Rs. 2086.98 crore at RE, due to the slow pace of implementation of various Schemes under the USOF. The funds allocated at RE have, however, been utilized fully. The Committee note that as against the proposed amount of Rs.12600 crore, an amount of Rs.2400 crore has been allocated at BE for the year 2015-16. In view of the substantial reduction of funds, the Committee urge the Department to take measures to utilize the available resources in prioritising execution of important Schemes and approach the Ministry of Finance for allocation of more funds. The Committee would like to emphasize that projects like NOFN should not

suffer, because the successful laying of optical fibre network is critical to the expansion of telecom connectivity in the rural areas.

Reply of the Government

The Department of Telecommunications is committed to maximize the utilization of the available resources and prioritizing execution of important schemes/ projects viz. USOF, NOFN and DS schemes etc.. In regard to additional requirement of funds, matter has also been taken up with Ministry of Finance at Hon'ble Ministers' level for enhancement of allocations under various heads in Plan/Non-Plan segment vide this office D.O nos. 1-14/2014-B (Part-II)/594 dated 08th April 2015 and dated 22 June 2015 .

Further, it is submitted that during the financial year 2014-15, Rs. 2086.98 crore was allotted for the USOF schemes at the RE stage and the same has been fully utilised. For the year 2015-16, Rs 2400 crore has been allotted for the financial year against the proposed amount of Rs 12600 crore. The details are as under:

S.No.	Name of Scheme	Proposed Amount
1	NOFN	9335.00
2	RDELS –P*	1250.00
3	LWE	1234.00
4	Comprehensive Telecom Development Plan for NE Region	576.00
5	Other on going schemes	205.00
	Total	12600.00

*Subsidy support for sustenance of rural wire line connections installed before 01.04.2002 for the period of one year w.e.f 18.07.2012 to 17.07.2013 as per TRAI recommendation.

As advised by Standing Committee, matter has been taken up with the Ministry of Finance at highest level.

As on 30.4.2015, total Rs. 20,035.19 Crore has been disbursed under all USO Schemes. Taking into account the compensation of Rs 6,948.64 crore on account of reimbursement of licence fees and spectrum charges to BSNL, the available potential funds is Rs 39,134.50 crore (as on 31.3.2015). It is expected that amount accrued to the USO Fund would be utilized in the execution of Schemes viz. National Optical Fibre Network (NOFN) amounting to Rs 20,100 crore and Left Wing Extremism (LWE) amounting to Rs. 3,567.58 crore and the new scheme of Comprehensive Telecom Development Plan for North East Region amounting to Rs. 5,336.18 Crore and Mobile services in uncovered villages in future.

(Ministry of Communications & Information Technology/Department of Telecommunications O. M. No. 16-3/2015-B dated 21.07.2015)

(Recommendation Sl. No. 4)

National Optical Fibre Network (NOFN)

The Committee note that the NOFN Project is planned to connect 2.5 lakh Gram Panchayats in the country through optical fibre cable by 31 December, 2016, by utilizing the existing fibres of PSUs, viz. BSNL, Railtel and Power Grid Corporation and laying incremental fibre, wherever necessary, to bridge the connectivity gap between Gram Panchayats and Blocks. In the year 2014-15, an amount of Rs 1477.26 crore was allocated at BE which was reduced to Rs. 1308.41 crore at RE. The Department have informed the Committee that an amount of Rs.1351.86 crore has been finally released to the Bharat Broadband Network Limited (BBNL) during 2014-15. With regard to physical targets, it was planned to execute work for 1,00,000 Gram Panchayats which was revised to 50,000 GPs at RE and it was expected to cover about 20,000 GPs by the end of the last fiscal. The Committee have been further informed that the shortfall in achieving the target was mainly due to the non-availability of PLB ducts by CPSUs, delay in finalization of OFC trenching and laying of tenders by CPSUs and the extremely slow rate of progress by the executing agencies (CPSUs). The Committee recognise that issues like Right of Way (RoW) and limited availability of specialised agencies to carry out the NOFN work are some of the problems areas hindering the smooth implementation of the Scheme. The Department are stated to have addressed the issue of ROW by signing agreements with the respective State Governments, which would help to ease the problem in due course. With the increase in demand for laying of OFC, the number of expert agencies in the market which will undertake such jobs is likely to grow. The Committee have been apprised that the requisite eco-system is developing gradually and the pace of work under NOFN has gained momentum. Further, a Committee was constituted in January, 2015 under the direction of the Hon'ble Prime Minister to review the strategy and approach towards speedy implementation of the NOFN. The Committee have also been given to understand that States like Andhra Pradesh, Tamil Nadu and Gujarat have come up with models to align with the NOFN project under implementation in their respective States. The Government may like to appropriately consider these proposals and also promptly follow up the recommendations of the Committee constituted under the direction of the Hon'ble Prime Minister, which has reportedly submitted its report to the Department. The Committee trust that all these measures, coupled with proactive approach of the Department, would result in the timely implementation of the NOFN Project. Since the shortfall in achieving the target during 2014-15 was mainly due to the slow pace of execution by Central Public Sector Undertakings (CPSUs) participating with BBNL, the Committee recommend that the extant system of monitoring instituted by BBNL needs to be tightened to make the CPSUs more accountable. The Committee are of the firm view that the success of NOFN, a project of national importance, is not only essential to the expansion of the telecom network, but will also provide the requisite infrastructure

to support the 'Digital India' campaign of the Government. The Committee may be kept apprised of the progress of the NOFN Project.

Reply of the Government

The optical fibre has predominantly reached state capitals, districts and blocks, at present. NOFN is planned to connect all the 2,50,000 Gram panchayats in the country through optical fibre utilizing existing fibers of PSUs viz. BSNL, RailTel and Power Grid and laying incremental fiber wherever necessary to bridge the connectivity gap between Gram Panchayats and Blocks, for providing broadband connectivity.

Government approved National Optical Fibre Network (NOFN) project at an estimated cost of about Rs. 20,100 Crore for effective provision of at least 100 Mbps bandwidth in all the estimated 2,50,000 Gram Panchayat (GPs) to be used by all categories of service providers on non-discriminatory basis. These access providers/service providers like mobile operators, Internet Service Providers (ISPs), cable TV operators, content providers can launch various services in rural areas. Various applications for e-health, e-education, e-governance etc. will be provided.

A Special Purpose Vehicle (SPV) viz. Bharat Broadband Network Limited (BBNL) has been established with an objective to create, operate, maintain and manage National Optical Fibre Network (NOFN) infrastructure.

Status as on 31.05.2015:

NOFN Project is envisaged as a Centre-State joint effort. State Governments are expected to contribute by way of not levying any RoW charges. This requires suitable tri-partite MoU to be signed by GOI, State Governments & BBNL. Tri-partite MoU has been signed with all states and Union Territories except Tamil Nadu and Lakshadweep.

The work has been distributed by BBNL to 3 CPSUs viz. BSNL, Railtel and Powergrid. Survey work and tenders for supply of material and execution of the project are underway by BBNL and 3 CPSUs.

Phase-I

The work of around 1,00,000 GPs under phase-I has been allocated to 3 CPSUs. Status of progress of work, as per the report submitted by CPSUs, is as follows:

- H. BSNL/PGCIL/RailTel have finalized tenders for trenching and pipe laying for **2,242** blocks.
- I. BSNL/PGCIL/RailTel have placed Purchase Orders for supply of **1, 99,926** km of PLB ducts and work has been started in **1,791** Blocks.

CPSU	District	Block	GPs	Incremental cable to be laid (km)	PLB laid (km)	OFC laid (km)
BSNL	408	2,105	82,121	1,73,430	54,203(31%)	37,822(22%)
Railtel	45	231	10,680	20,819	4,430(21%)	1,717(8%)
PGCIL	37	386	8,255	21,612	8,257(38%)	3,110(14%)
Total	490	2,722	1,01,056	2,15,861	66,890(31%)	42,649(20%)

No. of GPs where cable laying is completed - **19,440**.

Districts Completed

9. Kerala: All districts.
10. Karnataka: Mandya, Hassan, Chikmanglur.
11. Punjab: Chandigarh.
12. Puducherry: All districts.

The reasons for delay in the project are as given below:

(ix) OFC laying is time intensive effort:

The project is of a mega nature widely dispersed across the country and to reach Fibre to the unreached areas which are rural and remote. The existing fibre (OFC) across the country of all operators is of the order of about 10 lakh km. Out of the above, BSNL only has laid over 7 lakh km over the last 15 years.

(x) Implementation capacity of 3 CPSUs:

The work execution capacity of CPSUs (mainly BSNL) over the last few years has been maximum in the range of 50,000-60,000 km per year. The execution capacity of PGCIL and Railtel combined is even less than that (<10,000 KMs per year).

(xi) Procurement of Material:

The major material requirements of this project are OFC, GPON equipment and PLB duct. While supply of OFC and GPON equipment has been addressed, the supply of PLB duct still remains a critical issue. The project entails approx. 6, 00,000 km of PLB duct. Besides this, BSNL and private Telecom operators also require PLB duct for their own projects. Due to this large requirement of PLB duct, the price discovered in the tenders is high. Therefore, to get a reasonable price, there is a need to stagger the procurement of PLB duct in phases over a period of time.

(xii) Labour Constraint:

Another component of the project is cable laying which is labour and time intensive. The project entails 6,00,000 km of trenching & cable laying. Besides this, BSNL and private telecom operators also have their own projects which have considerable labour requirement. In addition, there are various infrastructure projects under progress consuming a large amount of labour. This puts a constraint on availability of labour for execution of the project.

In view of the inordinately poor progress of the project over the last two years, a number of measures were instituted by the new Government to accelerate the pace of work. In addition to high level monitoring by MCIT and the Ministry, steps were taken to.

- a) empower the field units of BBNL and the 3 PSUs
- b) iron out constraints in supply of materials
- c) devolve greater autonomy on the implementing agencies and
- d) induct professionalism in the procurements and execution.

Pursuant to these stringent measures, the pace of work has accelerated by over 500% within the past seven months.

Constitution of Expert Committee:

- An expert committee was constituted in Jan 2015 to review the strategy and approach towards speedy implementation of NOFN. The committee has submitted its report which is under examination in the Ministry and discussions are on-going with State Governments to solicit their active participation & ownership in the project.
- 7 States have indicated willingness to take up a state led model of Bharat Net as per the enhanced architecture, while 7 others have agreed to get back with their responses within 15 days.

(Ministry of Communications & Information Technology/Department of Telecommunications O. M. No. 16-3/2015-B dated 21.07.2015)

Comments of the Committee

(Please see Para No. 8 of Chapter I)

(Recommendation Sl. No. 5)

Scheme for Mobile Communications Services in LWE affected areas

The Committee note that under the Scheme, the Government have approved the proposal to install mobile towers at 2199 locations identified by the Ministry of Home Affairs in 10 States affected by Left Wing Extremism (LWE) areas. During the year 2014-

15, an amount of Rs. 586.78 crore was allocated for the project at BE stage which was enhanced to Rs. 600 crore at RE stage. The actual utilization upto December, 2014 was Rs. 596.51 crore. With regard to physical achievements, the Committee note that as on 31 March, 2015, out of 2199 towers, 510 towers have been made functional. The Committee have been told that the remaining 1689 towers are expected to be installed and made operational within the targeted timeframe, i.e. September, 2015. During 2015-16, an allocation of Rs. 1230 crore has been proposed by the Department to execute the project. Considering that mobile connectivity in the rural areas has been identified as a thrust area by the Government, the Committee stress the need for timely completion of the project.

Reply of the Government

On 20.08.2014, the Cabinet approved a project to provide mobile service at 2199 locations identified by Ministry of Home Affairs (MHA) in the States of Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Maharashtra, Madhya Pradesh, Odisha, Telangana, Uttar Pradesh and West Bengal, which are affected by Left Wing Extremism (LWE), to be funded by Universal Service Obligation Fund (USOF). The project would be executed by Bharat Sanchar Nigam Limited (BSNL). Installation and roll out in these areas is targeted to be completed in 12 months. Agreement between USOF and BSNL has been signed on 30.09.2014. BSNL has awarded the work to the successful bidders.

All out efforts are being made to complete the work within the targeted timeframe. Periodic meetings are being held in Department of Telecom with BSNL, executing agencies, State Governments and MHA to monitor the progress of the project. 510 sites out of original list of 2199 LWE sites provided by MHA have been made functional till 31.03.2015. An additional, 149 towers have been made functional as on 31.05.2015

The executing agencies, during the review meetings held by DoT, have reported problems related to land allotment, non-availability of maps and non-availability of Government officials to demarcate and handover the land. Some of the sites require permission to cut trees and blasting of rocks to install towers.

In respect of existing 25 towers in Chhattisgarh, 18 towers have been made functional by BSNL. As on 30.4.2015, Rs 596.51 crore has been disbursed to BSNL for the scheme.

(Ministry of Communications & Information Technology/Department of Telecommunications O. M. No. 16-3/2015-B dated 21.07.2015)

Comments of the Committee

(Please see Para No. 11 of Chapter I)

(Recommendation Sl. No. 6)

OFC based network for Defence Services

OFC based network for the Defence Services (DS) is one of the very crucially important schemes being implemented by DoT for creating an alternate communication network for the Defence Services for release of Spectrum. The project involves laying of around 57000 km of OFC. During 2014-15, an amount of Rs. 3065 crore was allocated at BE which was reduced to Rs. 425 crore at RE. The actual utilization upto February, 2015 was Rs. 355.07 crore. According to the Department, funds could not be expended during the first two quarters of the past fiscal on account of delay in finalisation of tenders for laying of optical fibre and litigation involved in the tenders for electronic equipment. The Committee have been apprised that the project has now been divided into 7 packages and the physical work in all packages is underway; the litigation part is also getting resolved. The Committee have further been informed that the project will be completed by the year 2016-17. The Committee recommend that every step should be taken by the Department for the expeditious completion of the project by the envisaged timeframe. The creation of an alternate communication network would create a secure and robust connectivity for the Defence Forces and also lead to release of more spectrum for mobile services.

Reply of the Government

Department of Telecommunications (DoT) is constantly monitoring the implementation of Network For Spectrum (NFS) by holding review meetings at regular intervals. These meetings are held at the level of Secretary, Department of Telecommunications. The representatives of Defence Forces are also involved in these review meetings. As on date, out of 57000 km, around 9500 km of OFC has been laid. The whole project is divided into various components. The tenders for all the components except for Unified Network management System (UNMS) has been floated and are at various stages of finalization. Although there has been some delay in the project, due to constant and periodic monitoring, the pace of implementation has been expedited.

(Ministry of Communications & Information Technology/Department of Telecommunications O. M. No. 16-3/2015-B dated 21.07.2015)

Comments of the Committee

(Please see Para No. 14 of Chapter I)

(Recommendation Sl. No. 9)

Bharat Sanchar Nigam Limited (BSNL)

The Committee note that during the year 2014-15, as against the projected revenue target of Rs. 29,900 crore, BSNL could generate revenue of Rs. 20,189.87 crore upto December, 2014. The Committee have been informed that the total revenue and expenditure of BSNL upto 31 March, 2015 were anticipated to be Rs. 28,217 crore and Rs. 34,700 crore, respectively, thus projecting an anticipated loss of Rs.6483 crore during the last fiscal. The Committee further note that almost 55 per cent of the expenses of BSNL accounts for salary payment. The revenue target for the year 2015-16 is Rs. 30,500 crore and to achieve this target, BSNL is stated to have taken initiatives such as augmentation of GSM network capacity, replacement of legacy wireline exchanges by NGN, improving transmission network capacity, roll out of Wi-Fi network, increasing sales and revenue with focus on subscriber retention and acquisition, sharing and renting of passive infrastructure (towers and buildings), etc. However, the Committee are constrained to observe that a review of the performance of BSNL in the aforesaid direction during the past year, does not provide a promising picture. For example, out of the target of achieving 100 lakh addition in GSM capacity, the achievement as on 31 January, 2015 was only 43.87 lakh leaving a shortfall of 56.13 lakh. Similarly, under GSM mobile connections, against the target of 100 lakh mobile connections, the achievement was (-)142.72 lakh, indicating that customers have shifted to other service providers which is undoubtedly disconcerting. As part of its future expansion plans, BSNL has already initiated the Phase VII project with a total investment of Rs. 4,804 crore for GSM expansion, active sharing of network of private operators, rolling out of Wi-Fi, etc. Since voice services are getting saturated, the Committee are of the view that BSNL should focus on disseminating data services to garner more and more revenue.

Reply of the Government

Data Services are the next revenue generating opportunity for the Telecom industry in the coming years. BSNL is effectively deploying its vast mobile, landline, & fiber network for providing both wireline and wireless broadband connections to enable the provisioning of data services.

BSNL has chalked out a planned strategy with a blend of its network augmentation, upgradation of existing network, thrust on data services. With this objective, BSNL is taking various data centric initiative in mobile services & wireline services to retain / enhance the customer base, namely:

A .Completion of Phase VII GSM project : BSNL will be completing Phase VII GSM expansion for 15 Million lines with provision of 110,914 3G BTSs and 14,376 2G BTSs (Base Transceiver Stations) with an investment of Rs. 4808 Crore. BSNL has already

commissioned over 12 million lines & the balance is targeted to be completed in the FY 2015-16. This will improve 2G & 3G network coverage & data capability of 3G network.

B. Replacement of legacy Wireline exchanges by Next Generation Network (NGN) switches – In First Phase , BSNL is replacing 1.3 million line. In Second Phase, 12.7 million landline will be replaced. This upgradation is expected to reduce operational issues related to maintenance of wire-line network by making the core network concentrated and will also enable delivery of various value added services, such as personalized ring back tone (PRBT), Instant Messaging, etc. to the customers. BSNL has already installed / commissioned 0.5 million lines for South & East Zone (against Phase I) & migration is in progress. For North & West Zone, 0.5 million installation against Phase I, P.O (purchase order) is under process & is targeted to be completed by March, 2016.

C. BSNL has taken up various projects to improve transmission network (backhaul capacities): such as MPLS (Multi Protocol Label Switching), DWDM (Dense Wavelength Division Multiplexing), STM-CPE (Synchronous Transport Module-Customer Premises Networ), OTN (Optical Transport Network), etc.

D. Roll out of Wi-Fi service: BSNL has targeted to set up large number of Wi-Fi Hotspots in year 2015-16.

As on 31.03.2015, the net achievement made by BSNL in GSM capacity augmentation is 52.99 lakh out of the targeted capacity of 100 lakhs. In respect of GSM connections during 2014-15, the reduction in number of subscribers has been 175.58 lakhs as against the target of 100 lakh mobile connections. The reduction in mobile connections as reflected in the report is also due to cleaning of database i.e closure of long ineffective GSM connections

(Ministry of Communications & Information Technology/Department of Telecommunications O. M. No. 16-3/2015-B dated 21.07.2015)

(Recommendation Sl. No. 10)

Mahanagar Telephone Nigam Limited (MTNL)

The Committee note that severe financial problems had forced MTNL to go slow on developmental projects, as a result of which they were not in a position to upgrade their network. During the last three years, MTNL has made very limited investment in the network segment which had affected MTNL's ability to provide quality services. The physical achievements of MTNL during the year 2014-15 have been far from satisfactory. Under the item 'Net new connections, including landline, WLL, Cellular and Broadband connections', the target of achieving 500,000 connections was fixed at BE, which was reduced to 250,000 at RE; the actual achievement till February, 2015 was only 149,973. Under the items 'New Switching Capacity additions including Capacity for WLL, GSM, NGN, IMS' and 'Deployment of DSLAM/FTTH', the targets at BE were 11,00,000 and 150,000, respectively; achievements till February, 2015 have been nil.

The Committee note that after reduction in MTNL's debt liabilities due to Government support, MTNL has been able to secure loan of Rs. 1200 crore from IDBI, partially to meet the Capex requirement of projects during 2015-16, viz. 3G network upgradation, expansion of GSM/3G RF Network and expansion/upgradation of M/W Backhaul. The Committee have been informed that MTNL has mooted various plans for the expansion of 2G and 3G Network; it has also proposed to install 1080 3G mobile towers, respectively, in Delhi and Mumbai, and 800 2G mobile towers in Delhi and 566 2G mobile towers in Mumbai. Under the Mumbai Surveillance Project, MTNL is partnering with the Maharashtra Government to provide surveillance in Mumbai for which MTNL is investing Rs. 209 crore. MTNL is also undertaking a project for the replacement of TDM switches with NGN switches; besides, they are partnering with private partners for rolling Wi-Fi network in Delhi and Mumbai. The Committee hope that with this Capex support and other initiatives planned, MTNL would strive towards increasing their market share gradually and convert itself to a profit making organisation.

Reply of the Government

In spite of financial constraints, physical achievements of MTNL during 2014-15 under the item "net new connections, including Landline, WLL, Cellular and Broadband connections" is 2,11,691 which are slightly less than the RE

target of 250K. The target of new switching capacity addition including capacity of WLL GSM, NGN, IMS and deployment of DSLAM/FTTH was revised by MTNL to zero at RE stage for the 2014-15 considering the fact that all the expansion/upgradation projects were getting delayed/deferred because of the financial problems faced by MTNL.

MTNL has initiated several projects to improve its network capabilities and provide better quality of services. The current status of the major projects raised under Committee's observations are as follows:

- (i) **3G Network upgradation (for Mumbai):** APO (Advance Purchase Order) for about 28 crore for Mumbai unit has already been placed.
- (ii) **Expansion of GSM/3G RF Network:** APO to L-1 bidder has been placed for about Rs. 1100 crores. There is a plan for increase of 800 Nos. of BTSs (2G) and 1080 Nos. of Node Bs (3G) in Delhi 566 Nos. of BTSs and 1080 Nos. of Node Bs in Mumbai. This expansion shall be done in phases.
- (iii) **Expansion/Up-gradation of M/W Backhaul (For Mumbai):** APO for both expansion/upgradation of Backhaul equipment has already been placed for about Rs. 46 crores and Rs. 41 crores for Mumbai and Delhi respectively and has been accepted by the concerned bidder.

(iv) **Mumbai Surveillance Project:** MTNL Mumbai has signed an agreement on 17.3.2015 with M/s. Larsen and Turbo for Rs. 281.08 crore for the said project.

(Ministry of Communications & Information Technology/Department of Telecommunications O. M. No. 16-3/2015-B dated 21.07.2015)

(Recommendation Sl. No. 11)

Setting up of public Wi-Fi hotspots

One of the major components of the 'Digital India' programme involving DoT is the 'Early Harvest Programme' under which DoT have to work towards enabling Wi-Fi hotspots in all cities of India with a population of over 1 million and tourist centres. The Government have identified 723 tourist centres for the purpose; the expected cost of provision of data connectivity through provision of 3G services in tourist spots having no Wi-Fi facilities is estimated to be around Rs. 1000 crore. With regard to providing Wi-Fi connectivity at tourist places, the Committee note that 203 locations do not have high speed data connectivity (3G). The Committee understand that the Archaeological Survey of India (ASI) have decided to upgrade 25 monuments to the status of 'Adarsh Smarak' (Model Monuments). As proof of concept, BSNL is willing to provide Wi-Fi services at its own cost at four locations, namely, Taj Mahal, Fatehpur Sikri, Sarnath and Konark Temple. RailTel has agreed to provide Wi-Fi services at its own cost at Red Fort, New Delhi. BSNL is also willing to provide Wi-Fi services on cost sharing basis model at Shore Temple, Mahabalipuram, Hampi, Khajuraho and Thanjavur-Brihadeshwar temple. Apart from the above, the Committee note that several private companies are willing to provide Wi-Fi services under their Corporate Social Responsibility (CSR) for which the Government have to help in finalizing the Terms of Contract. The Committee are pleased that the Government are coming up with a scheme which will enable local bodies to start providing Wi-Fi services. The Committee desire that necessary measures may be taken by the Department to fructify the aforesaid proposals at the earliest so that provision of Wi-Fi services at important tourist centres could be started at the earliest. The Committee may be apprised of the progress made in this direction.

Reply of the Government

Under the Digital India programme, Wi-Fi hotspots at tourist and pilgrimage places in India have been planned. Ministry of Tourism will identify tourist locations where wi-fi services may be provided with funding support through a scheme of the Ministry of Tourism. The said funding would be made available to the State Governments/Agencies managing the tourist locations, who would take further action for floating of Expression of Interest (EOI). Draft EOI has already been sent by Department of Telecommunications to Ministry of Tourism for further action.

The Ministry of Tourism has provided a list of 44 locations to provide Wi-Fi services where provision of wi-fi services through CPSUs would be explored. BSNL and RailTel have agreed to provide Wi-fi services in 11 locations and 12 locations respectively in addition to 12 tourist places identified by Archaeological Survey of India (ASI) where wi-fi service provision is already underway. Ministry of Tourism will ensure availability of Right of Way (ROW), electricity, security, installation space for equipments and all logistic assistance for implementation at the 23 identified locations. DoT will provide necessary technical support for its smooth implementation.

Wi-fi services has already commenced in Taj Mahal (Agra), Sarnath, Assi Ghat (Varanasi), Jagannath Temple (Puri), Konark Temple, Khajuraho, Thanjavur, Brihadeeswara, Trimbakeshwar Temple (Nasik), Hussain sagar lake, Charminar (Hyderabad) through BSNL.

(Ministry of Communications & Information Technology/Department of Telecommunications O. M. No. 16-3/2015-B dated 21.07.2015)

Chapter III

**Observations/ Recommendations which the Committee do not desire to pursue in
view of the replies of the Government**

-NIL-

Chapter IV

Observations/ Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration

--NIL--

Chapter V

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

(Recommendation Sl. No. 7)

Establishment of Satellite Gateway assistance to BSNL

The Committee note that the DoT have given 'in-principle' approval to provide financial support of \$ 8 million to BSNL for the establishment of a Global Mobile Personal Communication by Satellite (GMPCS) service gateway in India. An agreement has already been signed by BSNL with the International Maritime Satellite Organization (INMARSAT) in March, 2015 for providing satellite based services through a gateway in India. This project will help in providing satellite based communication services by BSNL, especially in aid of security forces and disaster management. During 2014-15, an amount of Rs. 5 crore has been utilized and for the year 2015-16, an amount of Rs. 40 crore has been allocated at BE for the scheme. The Committee recognize that it is a very important scheme with wide implications for national security and disaster management. In fact, the Committee are concerned to note that satellite based telecom services in India, as of now, continue to be provided by various international operators, without a gateway installed in India, posing a possible threat to the security of the nation. The Committee also recognize that the establishment of such a gateway will be immensely helpful in disaster management. In view of this, the need for having a satellite gateway becomes all the more essential and indispensable. The Committee, therefore, call upon the Department to take all necessary measures to complete the project as per the laid down target.

Reply of the Government

Department of Telecommunications has granted administrative approval for the project "Provision and operation of satellite based services using gateway installed in India". BSNL has signed an agreement on 4th Feb 2015 with INMARSAT for this project. The target date for physical installation of the gateway is December 2015 and for start of services is March, 2016. BSNL has assured the DoT that the project would be completed within stipulated time.

(Ministry of Communications & Information Technology/Department of Telecommunications O. M. No. 16-3/2015-B dated 21.07.2015)

(Recommendation Sl. No. 8)

Fiber-to-the-Home (FTTH) to the residences of MPs in New Delhi by MTNL

The Committee note that MTNL is presently implementing a project for providing high speed broadband connection with Wi-Fi facility using FTTH technology at the official residences of the Members of Parliament in New Delhi. The Committee have been told that once completed, it will enable delivery of very high speed data, will improve quality of experience for users, high-bandwidth applications, easy viewing/uploading of HD content, etc. Regarding progress of the project, the Committee have been informed that survey for all twelve optical fiber rings to be laid has been completed. The Committee are confident that this Project will be of great help to the Members of Parliament to effectively discharge their duties as representatives of the people.

Reply of the Government

The project is at an advance stage of implementation and laying of OFC for the network has been completed. There are some issues such as internal wirings in some residences, approval of tariff plan which needs to be resolved so that FTTH services can be started at the earliest. The target of completion of Wi-Fi services is 15th August 2015. MTNL has assured that the project would be completed within stipulated time.

(Ministry of Communications & Information Technology/Department of Telecommunications O. M. No. 16-3/2015-B dated 21.07.2015)

**New Delhi;
18 December, 2015
27 Agrahayana, 1937(Saka)**

**ANURAG SINGH THAKUR,
Chairperson,
Standing Committee on
Information Technology.**

**MINUTES OF THE THIRD SITTING OF THE STANDING COMMITTEE ON
INFORMATION TECHNOLOGY (2015-16) HELD ON 18TH DECEMBER, 2015**

The Committee sat on Friday, the 18th December, 2015, from 1000 hours to 1040 hours in Committee Room '139', First Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Anurag Singh Thakur- Chairperson

MEMBERS

Lok Sabha

2. Shri L. K. Advani
3. Shri Prasun Banerjee
4. Dr. Sunil Baliram Gaikwad
5. Shri Hemant Tukaram Godse
6. Shri Virender Kashyap
7. Shri Harinder Singh Khalsa
8. Shri Keshav Prasad Maurya
9. Shri Paresh Rawal
10. Shri Abhishek Singh
11. Smt. R. Vanaroja

Rajya Sabha

12. Shri Salim Ansari
13. Shri Vijay Jawaharlal Darda
14. Shri Meghraj Jain

SECRETARIAT

- | | | | |
|----|------------------------|---|----------------------|
| 1. | Shri K. Vijayakrishnan | - | Additional Secretary |
| 2. | Shri J.M. Baisakh | - | Director |
| 3. | Dr. Sagarika Dash | - | Deputy Secretary |
| 4. | Shri Shangreiso Zimik | - | Under Secretary |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to consider and adopt the following six Draft Action Taken Reports:-

- I.XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....
- II.XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....
- III.XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....
- IV.XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....
- V. Action Taken Report on the Seventh Report on ‘Demands for Grants (2015-16)’ of the Department of Telecommunications; and
- VI.XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....XXXXX.....

3. The Committee, thereafter, took up for consideration the above Report and after due deliberation adopted the same without any modification.

4. The Committee, then, authorised the Chairperson to present the Action Taken Reports to the House during the current session of Parliament.

The Committee, then, adjourned

.....xxxxx Matter not related to the Report.

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/ RECOMMENDATIONS
CONTAINED IN THEIR SEVENTH REPORT
(SIXTEENTH LOK SABHA)**

[Vide Paragraph No. 5 of Introduction]

(i)	Observations/Recommendations which have been accepted by the Government	Rec. Sl. Nos.:- 1,2,3,4,5,6,9,10 and 11	Total	09
			Percentage	81.82
(ii)	Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government	Rec. Sl. No.:- Nil	Total	Nil
			Percentage	Nil
(iii)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration	Rec. Sl. No.:- Nil	Total	Nil
			Percentage	Nil
(iv)	Observations/Recommendations in respect of the reply which is of interim nature	Rec. Sl. Nos.:- 7 and 8	Total	02
			Percentage	18.18