

**13**

**STANDING COMMITTEE ON  
COMMUNICATIONS  
(1998-99)**

**TWELFTH LOK SABHA**

**MINISTRY OF COMMUNICATIONS  
(DEPARTMENT OF TELECOMMUNICATIONS)**

**DEMANDS FOR GRANTS  
(1999-2000)**

**THIRTEENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 1999/Chaitra, 1921 (Saka)*

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**(TWELFTH LOK SABHA)**

**MINISTRY OF COMMUNICATIONS  
(DEPARTMENT OF TELECOMMUNICATIONS)**

**DEMANDS FOR GRANTS  
(1999-2000)**

*Presented to Lok Sabha on 21.4.1999*

*Laid in Rajya Sabha on 23.4.1999*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 1999/Chaitra, 1921 (Saka)*

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The Thirteenth Report of Standing Committee on Communications

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COMPOSITION OF THE STANDING COMMITTEE ON  
COMMUNICATIONS (1998-99)

Shri Somnath Chatterjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Jay Krishna Mandal
3. Shri K.L. Sharma
4. Shri Mahesh Kumar Mithabhai Kanodia
5. Shri Chandrashekhar Sahu
6. Dr. Chhatrapal Singh
7. Shri Nakli Singh
8. Shri Rajveer Singh
9. Shri Baijnath Rawat
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11. Smt. Sheela Gautam
12. Shri Somjibhai Purjabhai Damor
- \*13. Shri Sudip Bandyopadhyay
14. Dr. (Smt.) Prabha Thakur
15. Shri Madan Vishwanath Patil
16. Shri Dowarka Parashad Bairwa
17. Shri K. Asungba Sangtam
18. Smt. Nishaben Amarsinhbhai Chaudhari
19. Shri Shantilal Purushottamdas Patel
20. Shri T. Govindan
21. Shri Rizwan Zaheer Khan
22. Shri P. Rajarethinam
23. Shri Surendra Prasad Yadav (Jhanjharpur)

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\*Appointed as a member of the Committee *w.e.f.* 18.3.1999.

(iv)

24. Shri Mahendra Baitha
25. Shri Braja Kishore Tripathy
- \*26. Vacant
27. Shri M. Durai
28. Shri P.C. Thomas
29. Shri A. Ganeshamurthi
30. Shri Surender Singh

*Rajya Sabha*

31. Smt. Veena Verma
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40. Shri Raj Babbar
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42. Shri R.N. Arya
43. Shri Kuldip Nayyar
44. Shri Mrinal Sen
45. Shri Kartar Singh Duggal

SECRETARIAT

1. Dr. A.K. Pandey — *Additional Secretary*
2. Shri P.D.T. Achary — *Joint Secretary*
3. Shri S.K. Sharma — *Deputy Secretary*
4. Shri A.S. Chera — *Under Secretary*

## INTRODUCTION

I, the Chairman, Standing Committee on Communications (1998-99) having been authorised by the Committee to submit the Report on its behalf, present this Thirteenth Report on 'Demands for Grants (1999-2000)' relating to the Ministry of Communications (Department of Telecommunications).

2. The Standing Committee on Communications (1998-99) was constituted on 5 June, 1998. One of the functions of the Standing Committee as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider the Demands for Grants of the concerned Ministry/Department and make a Report on the same to the House.

3. The Committee considered the Demands for Grants pertaining to the Ministry of Communications (Department of Telecommunications) for the current year *i.e.* 1999-2000 which were laid on the Table of the House on 15 March, 1999. Thereafter the Committee took evidence of the representatives of the Ministry of Communications (Department of Telecommunications) on 30th and 31st March, 1999.

4. The Committee wishes to express its thanks to the Officers of the Department of Telecommunications for placing before it detailed written notes on the subject and for furnishing the information, that the Committee desired in connection with the examination of the subject.

5. The Report was considered and adopted by the Committee at its sitting held on 16th April, 1999.

6. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

NEW DELHI;  
17 April, 1999  
26 Chaitra, 1921 (Saka)

SOMNATH CHATTERJEE,  
Chairman,  
*Standing Committee on Communications.*



## REPORT

### INTRODUCTORY

The Department of Telecommunications (DoT) is responsible for the management and development of Telecommunication services in the country. The services which include planning, engineering, installation, maintenance, management and operation of voice and non voice telecommunication services all over the country are operated on a commercial basis through 20 revenue earning circles and 2 revenue earning telephone districts besides the Mahanagar Telephone Nigam Ltd. (MTNL). There are also other non-revenue earning territorial circles like long distance maintenance circles. Project circles, training Institutes etc. to provide support to the network. Apart from MTNL which manages the telecommunication services of Delhi and Mumbai, the Department has under its administrative jurisdiction four other Public Sector Undertakings namely, Indian Telephone Industries Limited (ITI), HTL, Telecom Consultant India Limited (TCIL) and Videsh Sanchar Nigam Limited (VSNL).

#### (A) Financial Provision and Utilisation

##### Demand No. 15

2. The Budget Estimates (BE) of the Department of Telecommunications (DoT) showing Plan and Non-Plan expenditure separately for the year 1999-2000 are as follows:

(Rs. in thousand)

		Revenue	Capital	
Voted	Plan	157,10,00	12500,00,00	
	Non-Plan	20904,91,00	229,99,00	
	Total	21062,01,00	12729,99,00	
Charged	Plan	—	—	
	Non-Plan	500	1,00	6,00
Grand Total		21062,06,00	12730,00,00	337920600

3. On scrutinisation of the Demands for Grants (1999-2000) the Committee pointed out that under the sub-head BB-3 (1) (2) Trunk Automatic Exchange (Tribal Area), the Budget Estimate (BE) 1999-2000 has been cut down to Rs. 15,23,96,000 from the Revised Estimate (RE) 1998-99 provision of Rs. 15,41,31,000 whereas for Trunk Automatic Exchange (General Area) the BE 1999-2000 has been phenomenally increased to Rs. 257,58,08,000 from the RE 1998-1999 provision of Rs. 98,50,57,000. The Committee desired to be apprised of the reasons therefor.

4. The Department replied that the difference between the RE 1998-99 provision and BE 1999-2000 provision under BB-3 (1) (2) Trunk Automatic Exchange (Tribal Area) was only marginal i.e. less than 1.1%. The Department further stated that the reason for the increase in the BE 1999-2000 provision under General Area was due to the need to replace many large size Exchanges with new technology switches to provide a large number of additional facilities and improve call completion rate besides catering to the requirement of additional subscribers being added every year to the telecom network.

5. The Committee then pointed out that under the sub-head 68-3 (2) STD and other Trunk Dialing System (Tribal Area) the RE 1998-99 was Rs. 2,77,60,000 whereas the BE 1999-2000 has been reduced to Rs. 2,52,89,000. In General Area for the same scheme the corresponding estimate for the corresponding year has been increased threefold and so the Committee asked why lesser allocation was made for the Tribal Area.

6. It has been replied that the difference between the RE 1998-99 provision and the BE 1999-2000 provision for the scheme STD and other Trunk Dialing System (Tribal Area) was very marginal (1%). The increased provision for the General Area under the scheme was stated to be based on the present assessment of requirement of funds.

7. The Committee further desired to be apprised of the reasons for lower allocation of funds in the 1999-2000 BE under the Scheme Microwave Radio Relay System in both Tribal and Rural Areas.

8. So far as the Tribal Area was concerned, the Department replied that the BE 1998-99 provision under BB 4(3) (2) Microwave Radio Relay System was initially fixed at Rs. 38.26. crore for the physical target of 19500 RKM. Due to persistent savings under this scheme

during the last three years the position was reviewed and the 1998-99 RE was reduced to Rs. 29.69 crore. Further reduction of RE 1999-2000 provision to Rs. 23.31 crore has been based on the present assessment regarding requirement of funds.

9. Similarly, for Rural Area the BE 1998-99, provision under the same scheme was initially fixed at Rs. 626.97 crore for the physical target of 19,500 RKMs. Here also due to continuous savings during the last three years the budget provision was reduced to Rs. 372.50 crore at the 1998-99 RE stage. The BE 1999-2000 provision of Rs. 305.00 crore is for the physical target of 15,000 RKMs vis-a-vis the current year target of 19,500 RKMs.

10. For another important scheme i.e. Optical Fibre Cable System (Tribal Area) the RE 1998-99 was Rs. 43,84,15,000 whereas the BE 1999-2000 has been reduced to Rs. 30,91,96,000.

11. On being asked to explain the reasons for lesser allocation under the abovementioned scheme, the Department stated that the reduced BE 1999-2000 provision under the scheme BB 4(9) Optical Fibre Cable System was unintentional and the same would be modified in RE 1999-2000.

12. The Committee then asked why for Staff Quarters (Rural Area) the BE 1999-2000 was reduced to Rs. 8,60,89,000 from the RE 1998-99 provision of Rs. 10,03,77,000.

13. The Department replied that the reduced provision under BB (2) Staff Quarters (Rural Area) in BE 1999-2000 was unintentional and suitable modification in the provision would be considered in RE 1999-2000.

14. The Committee observes that for Trunk Automatic Exchange in Tribal Area, the Budget Estimate (BE) 1999-2000 has been cut down to Rs. 15,23,96,000 from the Revised Estimate (RE) 1998-99 provision of Rs. 15,41,31,000. Similarly, for STD and other Trunk Dialing System in Tribal Area the RE 1998-99 was Rs. 2,77,60,000 whereas the BE 1999-2000 has been reduced to Rs. 2,52,89,000. It is pertinent to note that for these items in General Area the BE 1999-2000 has been increased almost threefold from what it was in 1998-99 RE. The

explanation given by the Department that the difference between the RE 1998-99 and BE 1999-2000 for Trunk Automatic Exchange and STD and other Trunk Dialing System is only 1.1% and 1% respectively does not convince the Committee. Because the difference, although marginal, is downward and if the cost escalation of equipments and other related things that invariably takes place every year is taken into account, the actual difference would not be as marginal as it has been projected to be. Moreover, replacement of many large size Exchanges with new technology switches, besides catering to the requirement of additional subscribers—the reasons advanced by the Department for phenomenal increase in the BE 1999-2000 for General Area, hold good for Tribal Area as well. The Committee therefore, recommends that the Department should carefully consider the abovementioned facts, assess the present requirement of funds and suitably enhance the Budget provision for Tribal Areas so that important schemes like Trunk Automatic Exchanges and STD and other Trunk Dialing System do not suffer.

15. The Committee also notes that for Microwave Radio Relay System in Tribal Area the BE 1998-99 provision of Rs. 38.26 crore was curtailed to Rs. 29.69 crore at the 1998-99 RE stage due to persistent savings under the scheme during the last three years. Similarly, for the same scheme in Rural Area, the BE 1998-99 provision of Rs. 626.97 crore was drastically reduced to Rs. 372.50 crore in the RE 1998-99 due to similar reasons. Now for the year 1999-2000 for the aforesaid scheme the BE has been provided at Rs. 23.31 crore for Tribal Area and Rs. 305 crore for Rural Area. The Committee is not satisfied with the gradual reduction in the Budget provision under the scheme for both Tribal Area and Rural Area more so in view of the importance being accorded to this scheme in recent years. The Committee would, therefore, like to impress upon the Department to ascertain the reasons of persistent savings under the scheme in both Tribal Area and Rural Area and take remedial action thereafter with a view to avoiding fund constraints in the execution of important schemes and for the completion of the same.

16. The Committee further observes that for another important scheme i.e. Optical Fibre Cable System in Tribal Area, the RE 1998-99 was Rs. 43,84,15,000 whereas the BE 1999-2000 has been reduced to Rs. 30,91,96,000. Similarly, for Staff Quarters in Rural Area, the

BE 1999–2000 has been reduced to Rs. 8,60,89,000 from the RE 1998–99 provision of Rs. 10,03,77,000. Reply of the Department that the reduced provision in BE 1999–2000 for both the cases in unintentional, depicts the Department's utterly careless attitude, to say the least and the explanation is wholly unacceptable. Needless to mention, utmost care and attention are warranted while projecting the Budget Estimates. The Committee, therefore, cautions the Department to remain alert and suitably set right the mistake at the 1999–2000 RE stage, as assured.

**(B) Physical Target and Achievement**

17. As regards the physical target set and achievement made during 1998–99 for various schemes and the target specified for the year 1999–2000, the following information was furnished to the Committee:

Schemes	1998–1999		1999–2000
	Target/Achievement		Target
(i) Village Public Telephones (VPTs)	45,000	36,984	45,000
(ii) Net Switching Capacity (Lakh Lines)	49.30	47.92	49.00
(iii) Direct Exchange Lines (Lakh Lines)	36.00	37.93	40.60
(iv) Microwave System (RKMs)	19,500	14,009	15,000
(v) Optical Fibre Cable System (RKMs)	35,000	31,771	40,000

**(i) Village Public Telephones (VPTs)**

18. After going through the materials furnished to the Committee it was pointed out that 8th Plan target for VPTs was 3,36,000 whereas the achievement during the Plan period i.e. from 1st April 1992 to

31st March 1997 was only 1,93,428. The 9th Plan Target for VPTs has been fixed at 2.39 lakh whereas the achievement during the first two years of the Plan period has been only 79,839 telephones out of the target of 1.28 lakh. In this connection, the Committee asked what constraints were faced during the 8th Plan period in meeting the targets and the measures taken to ensure that the same constraints are not encountered during the 9th Plan Period.

19. The Department replied that there was not enough time left in the 8th Plan to develop vendor base for the equipment and to achieve the target fully. Secondly, non-participation and non-contribution of Private basic service providers towards this policy objective also contributed towards non-achievement of target in VPTs. Thirdly, the analog MARR system, the only technology available for providing VPTs during the 8th Plan period proved to be unstable and unreliable which retarded the progress significantly.

20. It was further stated that the constraints of unstable MARR systems and lack of contribution by the Private Operators are still encountered. However, new technologies have been identified for VPTs and small capacity exchanges are also being opened in large number in rural areas.

21. During evidence, the Secretary, DoT apprised the Committee that in the 9th Plan the target for VPTs is 3.3 lakhs out of which the Department would cover about 2.36 lakh villages and the Private Operators are to fulfil their share of about 67,000 village telephones.

22. The Committee asked on what basis 67,000 villages were allotted to Private Operators and which were those villages. The Secretary DoT replied that it was based on the earlier concept that they would provide 10 percent of their total capacity to rural telephones as envisaged in their licences. The Member (s), DoT cited the example of Madhya Pradesh where the Private service provider has started operation. He stated that the whole State was divided into two areas and in half the area the Private Operators were told that VPTs would have to be provided by them.

23. On being asked to comment upon the performance of Private Operator in Madhya Pradesh, the Member(s) replied that the Private Operator has not provided any VPTs so far although it is working in the State for the last one year.

24. Expressing its concern over the fact that not a single VPT has been provided by the Private Operators in Madhya Pradesh, the Committee desired to know whether any penal action was taken against the Private Operators for their non-performance.

25. The representative of DoT replied that the Private Operators had to pay a fine if they did not fulfil their commitment. The Secretary, supplemented that if the terms and conditions of the licence were not fulfilled it was definitely a breach of contract. But no time-limit has been prescribed in this regard.

26. The Committee then asked whether the Department was geared up to do the needful in case of the failure of the Private Operators to provide 67,000 VPTs during the 9th Plan period. The Member(s) DoT replied that if the Private Sector failed then DoT would be bound to increase its target to cover all the villages and with new technologies the Department would gear up for that.

27. To a specific query whether the Department has finally decided the technology for providing VPTs, the Member(s) replied that depending upon the situation the Department was going for three types of technology. One is digital Wireless in Local Loop (WILL) technology, the second one is C-DoT PMP and the third one is Satellite-based technology. He further elaborated that for WILL technology tenders have already been invited. One C-DoT PMP equipment has been installed and based upon its performance orders has been given for 55 more such systems. In very remote places like the North-East and the Himalayan ranges, the Department is going for the satellite-based technology.

28. As regards the reasons for the 1998-99 achievement of 36,984 VPTs against the target of 45,000 the Committee has been apprised that the shortfalls were due to some accessories like 15M Mast being in short supply.

29. The Committee desired to know about the Plan of action on the part of the Department to meet the target of 45,000 VPTs during the year 1999-2000. It was replied that procurement process for new technology equipments as stated above had already been started. Secondly, small capacity exchanges are proposed to be opened in rural areas for which advance action to procure the equipments has already been initiated. Moreover, some MARR equipments available in the field would also be installed.

30. The Committee then wanted to be apprised of the monitoring system devised to ensure proper maintenance and prompt fault repairing of VPTs already installed. It was replied that all CGMTs were directed to arrange for inspection of all VPTs by officials at regular intervals in such a way that all VPTs are covered in the minimum possible time.

31. Secondly, testing of VPTs is being carried out daily by dialing from the Exchange. Based upon the fortnightly meter readings, the low reading is taken as indication of the system not performing properly and is being specifically checked. Then all faults of VPTs are brought to the notice of SDE in-charge, SEA in-charge and Head of the circles. Besides performance of VPTs is to be brought to the notice of the Telecom Commission Headquarters through weekly/monthly reports.

32. For repairing the faults promptly, all CGMTs are directed to open repair centres at strategic locations and as an interim measure they may enter into Annual Repair Contract with the suppliers. Field staff is to be trained specially in trouble shooting and fault repairs. Sufficient repaired units/spares are to be kept at Base station to minimise the time taken to repair faults.

33. The Committee asked as to how many VPTs usually remained out of order at a given time and how many of them were disconnected due to non-payment of dues. In reply, it was stated that as on December, 1998 out of a total number of 3,09,263 VPTs commissioned, 25,570 VPTs remained out of order. Out of these 25,570 VPTs which remained out of order, 22,181 are in Rural Area and 3,389 are in Tribal Area. Similarly, 13,736 VPTs were disconnected due to non-payment of dues. The break-up of the disconnected VPTs separately for Rural Area and Tribal Area was stated to be not available with the Department.

34. In the light of the above mentioned fact, the Committee during evidence asked whether the monitoring system devised by the Department to ensure proper maintenance of VPTs was adequate. the Secretary, DoT unhesitatingly admitted that the position of maintenance of VPTs was not satisfactory. Member (Services) supplemented that on an average 15 percent VPTs were faulty at any given point of time due to negligence in maintenance and misuse of battery.



35. The representative further submitted that the Department has entered into Annual Maintenance Contracts with the suppliers themselves who go to the site and rectify the faults. Secondly, workshops at some places have been set up. Moreover, vehicles have been supplied in remote areas to further improve the performance.

36. The Committee further queried whether any accountability could be fixed in this regard. The Secretary, DoT in reply assured the Committee that the Department would definitely take care of accountability to the extent it was desired.

37. The Committee note that during the 8th Plan period the target for VPTs was 3,38,000 whereas the achievement was only 1,93,428 mainly due to time constraint to develop vendor base, non-contribution of Private basic service providers and the unstable and unreliable nature of the MARR equipments. For the 9th Plan, the target for VPTs has been fixed at 3.3 lakhs out of which DoT has to provide 2.36 lakh and the Private Operators 67,000. But the Committee is concerned to note that the 8th Plan constraints of unstable MARR systems and lack of contribution by the Private Operators are still encountered in the 9th Plan. As a result of it, the achievement in this regard during the first two years of the plan has been only 79,839 out of a target of 1.28 lakh. However, the Committee finds some consolation over the selection of three technologies viz. Wireless in Local Loop (WILL). C-DoT PMP and Satellite for providing VPTs in place of the troublesome MARR technology for providing VPTs. The Committee also draws satisfaction from the Member(s)' submission during evidence that if the Private Operators failed to cover the stipulated villages, DoT would be bound to increase its target to cover all the 3 lakh villages during the 9th Plan period. Taking into consideration the Department's performance during the first two years of the 9th Plan, the Committee recommends that the acquisition process of the three new technologies should be accelerated so that not only the unreliable MARR systems are discarded but the Department also gets enough time to make up the earlier slippages. The DoT should also be fully conscious of its social responsibility of providing VPTs to all the villages in case the Private Operators fail to discharge their contractual obligation.

38. The Committee is perturbed to note the poor performance of Private Operators who have been entrusted with the responsibility of covering 67,000 villages during the 9th Plan period. In Madhya Pradesh, the Private Operators could not provide even a single VPT in spite of their contractual obligation of providing ten percent of

their installed capacity in rural areas. What is intriguing is the fact that the Department has not prescribed any time limit for taking penal action against the Private Operators for their non-performance. The Committee therefore, enjoins upon the Department to thoroughly review its policy of allotting villages to the Private Operators, make a realistic assessment of the situation and work out an alternative plan to cover all villages by 2002 of its own if Private Operators fail to do so. The Committee also recommends that definite time-limit to fulfil the contractual obligation by the Private Operators should be prescribed and in case of any breach of contract within that stipulated time frame, penal action should be taken against the Private Operators.

39. The Committee is distressed to observe that as on December, 1998 out of a total number of 3,09,263 VPTs commissioned, as many as 25,570 VPTs—22,181 in Rural Area and 3,389 in Tribal Area remained out of order and 13,736 VPTs were disconnected due to non-payment of dues. Although the Department has stated to be taking a number of measures like inspection of all VPTs at regular intervals, daily testing of the VPTs. Annual Maintenance contracts with the suppliers, supply of vehicles to the remote areas etc. for monitoring the maintenance and fault repair of the VPTs, yet the arrangements in this regard seem to be grossly inadequate in view of the number of VPTs which remained out of order and which were disconnected as on 31 December 1998. Moreover, the Secretary's admission of the unsatisfactory position of maintenance of VPTs and his colleague's submission that on an average 15 per cent VPTs are found faulty at any given point of time due to negligence of maintenance and misuse of battery are matters of concern to the Committee. Further, the Department's achievement in providing VPTs comes somewhere near 2.69 lakh when the number of faulty and disconnected VPTs are taken into account. The Committee, therefore calls upon the Department to further strengthen its monitoring system to ensure that there is no negligence in maintenance and there is no misuse of battery, faults are attended to promptly and directions issued from the Headquarters are invariably adhered to at field level.

(ii) Net Switching Capacity

40. As would be seen from the statement at para 17, the achievement in Net Switching Capacity during 1998-99 is 47.92 lakh lines against the target of 49.30 lakh lines. In this connection, the Committee desired to know the reasons for non-achievement of targets.

41. It was replied that the shortfall in the achievement of Switching Capacity during the year 1998-99 was mainly due to delayed acceptance of Advance Purchase Orders(APOs) by the vendors of New Technology Switches Consequent to which there was undue delay in supply of equipments. The second reason was delayed supply/non-supply of C-DoT equipments by the vendors like ITI, HTL, Keltron and Nelco.

**(iii) Microwave System**

42. The achievement in Microwave System during 1998-99 was 14.009 RKMs out of the target of 19,500 RKMs. Reasons for shortfall in this category were stated to be due to non-availability of 7 GHZ MW equipment from any of the vendors. Secondly the price of the 30 chl. equipment in the tender was higher than that of 120 chl. equipment which resulted in the fixing the prices of 30 chl. equipment by a Price Negotiation Committee and offering the prices of 30 chl. equipment to the vendors which were lower than L-1. This resulted in delayed ordering of the equipment and no supplies could be received for 30. chl. equipment against the tender. Supplies for 120. chl. equipment could also be received from a few vendors only.

**(iv) Optical Fibre Cable System**

43. The Achievement in Optical Fibre Cable System during the year 1998-99 was 31,771 RKMs against the target of 35.00 RKMs. The slippages in this category were stated to be mainly because of delayed availability of 12 F and 24 F Optical Fibre Cable due to a court case and very poor availability of 6 F Cable due to very low price offered by the L-1 bidder. The Department had to go in for a short notice limited tender for 6F cable. Supplies against the tender are expected in the first two quarters of the next year only.

44. The Committee during evidence pointed out that non-availability of materials had become a usual feature in non-achievement of target and desired to know what action was taken against the defaulting vendors. The Secretary, DoT replied that the Department was conscious of the problem and it would be reviewing the matter on a quarterly basis besides streamlining the procedure. He further

stated that the purchasing system would be decentralised actively as already indicated by the Committee, and system of inspection and checking of quality would be much more strengthened and regularly supervised in the circles.

45. To this, the Committee pointed out that the Department should make the purchasing programme well in advance and the slippages should be discovered well in time. The Secretary, DoT responded that during 1999–2000 the Department would see that supplies are to generate the pressure for fulfilling the target. He simultaneously assured the Committee that the Department would try to come out with some concrete action.

46. The Committee asked what concrete action was taken against the suppliers who either failed to supply the equipments in time or supplied inferior quality equipments. In a post evidence note, the Committee has been apprised that in all cases where suppliers had delayed the supplies, liquidated damages have been levied by the Department as per the conditions of the tender. The Department furnished a list in which it was shown that during the last three years in as much as 121 cases, liquidated damages have been imposed. In these 121 cases, liquidated damages have been imposed on ITI Ltd. on 23 occasions and upon HTL on 5 occasions which are Public Sector Undertakings. Similarly, on 28 occasions performance Bank Guarantees have been encashed during the last three years in cases of default. The Department has so far taken punitive action of banning the business activity in two cases. Business activity was banned with M/s. ARM for 8 months and with M/s Telematics for 3 years.

47. The Committee is concerned to note that during 1998–99 the achievement in Switching Capacity was 47.92 lakh lines against the target of 49.30 lakh lines. Similarly the achievement in Microwave system was 14,009 RKMs against the target of 19,500 RKMs and for Optical Fibre the achievement for the same year was 31,771 RKMs against the target of 35,000 RKMs. Delayed acceptance of Advance Purchase Orders (APOs) by the vendors, delayed supply/non-supply of equipments etc. have been stated to be the reasons for shortfalls in the above mentioned items and this unacceptable plea seems to have become a regular excuse for the Department's non-performance. Notwithstanding the Departments' action in imposing liquidated damages in 121 cases and encashment of performance Bank guarantee in 28 cases due to delayed supply

and default on the part of the vendors, the Committee would like DoT to strengthen the inspection and monitoring system thoroughly besides streamlining the procedure. Further, the purchasing system should be decentralised without further loss of time to enable regular procurement for meeting the targets fully during the year 1999–2000.

48. The Committee would also like the Department to look into the reasons for which its own Companies like ITI and HTL failed to supply the equipments in time and consequently suffered the liquidated damages quite often. The bottlenecks need to be identified and remedial action taken speedily. The Committee is of the view that the Companies themselves have also to take remedial action for checking recurrence of such lapses so that the turn around process of these companies does not get affected adversely.

**(v) Telephone on Demand**

49. The National Telecom Policy announced by the Government in May, 1994 envisaged that telephone should be made available on demand by 1997. This target was subsequently extended to 2002 AD. In this connection, the Committee desired to know how far the above mentioned objective was achieved and the Plan of action on the part of the Department to achieve the unfulfilled objective.

50. It was replied that during the 8th Five Year Plan i.e. 1992–1997, 8.73 million new Telephone connection were provided against a target of 7.5 million. The Private Operators who were expected to provide 2.5 million new connections during the 8th Plan period could not do so due to various reasons. Further, demand also increased to 17.43 millions against the estimated demand of 13.68 millions at the end of the 8th Plan. Thus, the objective of providing telephone on demand could not be met in spite of the lesser achievement by DoT in excess of the target.

51. The revised target of providing telephone on demand is by the end of the 9th Plan. This objective is expected to be achieved with the participation of Private Sector Complementing the efforts of DoT. The

targets proposed in the 9th Plan (1997–2002) is 18.5 million for DoT/MTNL and 5.2 million for the Private Operators. But as there has been delay in the entry of Private Operators and as they are unlikely to achieve the expected target of 5.2 millions during the 9th Plan, it has been decided to increase the annual targets of DoT so as to provide an additional 2 million telephone connections over and above the proposed target of 18.5 million for the 9th Plan. If there is further failure by the Private Operators, targets of DoT/MTNL would be reviewed for the next two years of the Plan Period.

52. To a specific query, it was replied that during the year 1998–99 a target of 3.6 million new connections was kept for DoT/MTNL against the originally proposed target of 3.3 millions. The target for 1999–2000 has been stepped up to 4.55 million from 3.7 million.

53. During the course of evidence, in reply to another query by the Committee in this regard, the Member(s) submitted that to meet the demand of 100 lakh telephones during the 8th Plan, it was decided that DoT/MTNL would provide 75 lakh and the Private operators 25 lakh. By the end of the Plan period, DoT/MTNL were able to provide 87 lakh but not even one by the Private Operators. Thus, there was a shortfall of 13 lakhs. During the year 1999–2000, the target of DoT/MTNL has been stepped up to 4.55 million from 3.7 million and at the end of the 9th Plan there would be still a gap of 27 lakhs.

54. The Secretary, DoT was of the view that the response from the Private Sector would be positive during the 9th Plan, unable to share such optimism the Committee asked what would be DoT's response in case of further failure on the part of Private Operators. The Secretary replied that the Department's effort would be continued through a better policy regime for the Private Sector.

55. He stated that in Madhya Pradesh the Private Operator has started his service at four places. Same is the case in Maharashtra in Gujarat, private operator is on the verge of starting. He further stated that the Department is trying its best to see that Private Operators take up the expected responsibilities in other States also. The Secretary, DoT further assured that the Department is prepared to cope with the exigencies and it would be their endeavour to see that the objective of

telephone on demand does not get a set back due to delayed entry or non-entry of Private Sector into the arena.

56. The Committee notes that the objective of the National Telecom policy, 1994 of providing telephone on demand by the year 1997 could not be achieved despite DoT's increased achievement in this regard during the 8th Plan period when it provided 8.73 million New Telephone connections against the target of 7.5 million. Failure of the Private Operators to provide 2.5 million new connections and a progressive increase in the demand to 17.43 millions against the estimated demand of 13.68 millions during the 8th plan period are the two reasons due to which the target can be achieved in the final year of the 9th Plan. The Member(s)'s submission that there would be still a gap of 27 lakh telephones by the end of the 9th Plan period despite an increase in DoT/MTNL's quota to 20.5 million from 18.5 million and decrease in Private operators' quota to 3.2 million from 5.2 millions is a matter of grave concern to the Committee. That the target of DoT/MTNL would be further reviewed for the next two years of the Plan period in case of further failure by the Private Operators is a step in right direction in view of the non-performance of the Private operators so far. In this regard, the Committee would like to recommend that the DoT's preparedness and endeavour to meet any exigencies arising out of the delayed entry or non-entry of Private operators into the telecom sector should never lose the momentum. The Committee would also like to know the specific steps the DoT has taken to ensure the participation of the Private Operators in this sector.

57. Besides, as recommended by the Committee earlier also, the Department should always remain prepared to meet the exponential increase in demand. The Committee feels that if proper assessment of this demand is not done on year to year basis the Department would not be in a position to achieve the objective of telephone on demand inspite of its better than expected performance, as has happened during the 8th Plan period.

**(vi) North-East Region**

58. As regards the budgetary allocation for the North-East Sector, the Committee has been apprised that from Rs. 350 crore during the year 1998-99 it would be increased by 25 percent in 1999-2000.

59. The physical target set for the year 1998-99, the achievements made thereto and the proposed target for the year 1999-2000 for the North-East Region was stated to be as follows:

Item	1998-1999 Target-Achievement upto 31.12.98		Target for 1999-2000
Switching Capacity	1,13,200	26,812	1,30,000
DELS	82,000	30,115	92,000
Villages Public Telephones (Nos)	3,900	480	5,000
Satellite Earth Stations	15	4	45
UHF Microwave Stations (RKM)s	1,161	168	1,500

60. It would be seen from above that achievement upto 31.12.98 viz-a-viz to target in 1998-99 were low for all the items. viz. switching capacity, DELs, VPTs etc.. In this context the Committee inquired about the reasons for such poor performance on the part of the Department and whether it would be able to achieve the target during the remaining three months of the 1998-99 financial year.

61. It was replied that shortfalls were anticipated in case of Microwave Systems and Satellite Stations due to delayed receipt/non-receipt of some of the equipments, difficult terrain, lack of proper transport facilities, unfavourable working conditions and difficult law and order situation.

62. In a post evidence note, it was replied that in switching capacity achievement was 1,29,630 lines, in Direct Exchange Lines (DELS), it was 85,491 lines. Similarly 3311 VPTs, 10 Satellite Earth Stations and 904 RKM of UHF/Microwave were installed. The Secretary further assured that the Department was paying special attention to the problems of the North-East and the situation was being reviewed frequently.



63. The Committee asked about the measures proposed to ensure optimal achievement of target during the year 1999–2000. In reply, it was stated that action for procurement of equipments and materials for 1999–2000 has already been initiated. Efforts were also being made with regard to the supplies of equipments for which orders were already placed. Further, new technology of TDMA/PMP system and Satellite Systems were likely to be available in addition to the Conventional land line. Moreover, some MARP systems still available in the field would also be utilised. With these measures, the Department expected to optimally meet the target during the year 1999–2000.

64. The Committee then asked about the steps taken to overcome other problems like law and order situation, unwillingness on the part of employees to be posted in North–East, natural disturbances like lightening etc. In reply the Member(s) submitted that local recruitment of Junior Telecom Officers (JTOs) would be done in each State for which a working group had already been set up. Norms for creation of Posts have been relaxed in view of the difficult situation there. The level of the Telecom District Manager's (TDM) post in each State like Nagaland, Mizoram etc. has been upgraded to the GM level and, therefore, there will be one General Manager in each of the North–Eastern States who would be reporting to the Chief General Manager at Shillong.

65. To combat the menace of lightening, the Member(s) submitted that the Department would be providing some protection to the equipments from being damaged in the lightening prone areas.

66. As regards the measures taken to overcome the difficulties in transport, the Member(s) apprised the Committee that the North–Eastern States have been permitted to hire vehicles upto 75 percent of the shortage whereas other States are permitted to do so upto 50 percent only.

67. to tackle the law and order problem, the representative of the DoT deposed that the Department has a good coordination with the respective State Governments. He further stated that the Department was trying to give equipments to a larger extent to the North–Eastern States so that target could be achieved to the optimum extent.

68. The Committee asked whether there was any task force or special cell to monitor the measures taken for North-Eastern Region, the witness replied in the affirmative and stated that monitoring was being done very specifically for which a working Group had been set up.

**(vii) Tribal Sub-Plan**

69. As regards the Physical target set under Tribal Sub-Plan (TSP) during the year 1998-99, achievement made thereto upto 31 December, 1998 and the target set for the year 1999-2000, the following information was furnished to the Committee:—

Item	1998-99		1999-2000
	Target	Achievement upto 31.12.98	Target
Telephone Exchange	120	35	160
Switching Capacity	2 lakh	84,076	2,66,000
DELS	1,60,000	76,101	2 lakh
VPTs (Nos.)	13,000	1,339	15,000
UHF/Microwave system (RKMs)	1500	480.95	1500
Satellite Earth Stations (No.)	21		73

70. As in the case of North-Eastern States, similar reasons like delayed receipt/non-receipt of equipments were given towards non-achievement of target under the TSP also.

71. During evidence the Committee pointed out that the achievement of the Department under TSP was comparatively much better during 1997-98 than that of 1998-99 and desired to be apprised of the reasons therefor.

72. The Secretary, DoT submitted that the performance of the Department improves quite a lot in the last three months of any given financial year.

73. In a post evidence note submitted at the instance of the Committee, it was replied that the achievement in respect of Telephone Exchange was 138. In Switching Capacity 2,58,002 lines were set up and 1,75,121 DELs were provided. In VPTs it was 5006 connections, in UHF/Microwave Systems it was 1,475 systems and in Satellite Earth Stations it was 68.

74. The Committee is unhappy to note that during the year 1998-99 the target for VPTs in North-East was 3900 whereas the achievement is 3311. Similarly, the target for Satellite Earth Station was 15 and the achievement is 10 and for UHF/Microwave the target was 1.161 RKMs at the achievement is 904 RKMs. The same old reasons of delayed receipt/non-receipt of equipment, besides difficult terrain, lack of proper transport facilities, unfavourable working conditions etc. have been cited for non-achievement of target in North-East region. However, the Committee notes that, assurances have been given by the Secretary DoT that action for procurement of equipment and materials for 1999-2000 has already been initiated in addition to some other measures. The Committee would like the Department to ensure that there is no let up in future in timely procurement of quality equipments so that target fixed for the year 1999-2000 in each of the abovementioned items is optimally achieved in the North-Eastern sector.

75. The Committee is happy to note that in tune with some of the recommendations of the Committee, the Department is taking a number of steps like recruitment of local people, relaxation in norms for creation of posts, upgradation of the post of TDM to GM level, protection of equipments from being damaged in the lightening prone areas, permission to hire vehicles upto 75 per cent of the shortage and coordination with the respective State Governments with a view to countering the problems of unwillingness on the part of employees to be posted in North-East region, frequent lightening, lack of transport facilities and deteriorating law and order situation in the North-Eastern States. While commending these steps to be in right direction, the Committee would like that progress in this regard is monitored on a regular basis.

76. The Committee is perturbed to find that there is substantial shortfalls in providing VPTs where the achievement is only 5006 against the target of 13000 VPTs. Similar unacceptable reasons of delayed receipt/non-receipt of equipment have been advanced for non-achievement of the target. Topography of the area and the problems connected with it are well known. The Committee, therefore, impresses upon the Department to initiate action for timely procurement of equipment, as has been done in North-East Region, so that target set under TSP, especially for VPTs is achieved to the optimum extent.

**(C) Impact of the tariff hike**

77. The Committee desired to know the impact on DoT's physical and financial projections for the year 1999-2000 in the event of implementation of the tariff hike announced by the TRAI.

78. The witness of DoT explained that the TRAI had issued its order on 9.3.1999 notifying substantial increases in rental and call charges and steep reduction in long distance tariff. In the initial tariff order of 9.3.1999 increases ranging from 20% to 40% in rental and increases ranging from 25% to 33% in local call charges were reflected over a time span of 3 years. The overall approach reflected in the tariff order was to "rebalance" the tariff structure so as to reduce the element of cross-subsidisation of local services by a somewhat higher long distance rates.

79. The Committee was also informed that to help persons living in villages and other economically weaker sections such as urban low income groups, the Government has since decided not to increase either rental or local call charges in rural areas and urban areas in respect of low income groups making upto 200 calls per month. The Government has also decided not to reduce the free call limit. These measures are stated to have been taken to ensure that telecom services which are no longer luxury, are made available to rural, remote and other economically weaker sections at an affordable cost. This is expected not only to help the weaker sections of the society but also to keep the demand for telephones intact and enable the Government to generally improve teledensity and further extend telecom facilities in rural and remote areas.

80. As regards impact of the new tariff (as modified by the Department) on physical and financial projections of 1999–2000, the witness informed the Committee that a quick assessment of financial implications indicates an approximate revenue loss of Rs. 1920 crores to the Department in first year. A major part of this decrease will be due to a sharp reduction in long distance rates announced by the TRAI. The witness assured that despite this decline in revenue, it shall be the endeavour of the Government not to allow any cut back on developmental plan by augmenting resources in whatever way possible, including more borrowing from the capital market.

81. The Committee is concerned to note the adverse financial implications of a sharp “rebalancing” of tariff announced by the TRAI. While the Committee appreciates DoT’s concerns for the consumer, developmental plan, teledensity etc. and notes that a very steep increase in the payment liability of consumers as was targetted in the original order of TRAI would have been counter productive, it feels that the whole tariff exercise should have been undertaken with an eye more on Indian ground realities rather than the situation prevailing elsewhere and after much fuller consultations. The Committee also is unable to accept the argument that high end users should not carry the burden of cross-subsidy. In Indian conditions, where considerable social and regional inequalities still exist, access to physical and social infrastructural facilities will have to be extended to all places and the question of balanced growth of the whole country for which resources are required, cannot be delinked from the tariff issue.

#### **(D) New Telecom Policy, 1999**

82. A number of important policy changes have taken place in the recent past which is bound to have if implemented a significant impact on the telecom scenario. The most significant such change is announcement of a new Telecom Policy, 1999. The policy document *inter-alia* envisages telephone on demand by the year 2002 and sustaining it thereafter so as to achieve teledensity of 7 by the year 2005 AD and 15 by the year 2010 AD. The policy also contemplates on development of telecommunication facilities in remote, rural and

tribal areas of the country and their availability to the masses at an "affordable cost". The Policy document also recognizes that the Department of Telecom (which has achieved growth in terms of number of lines from 58.1 lakh on April 1, 1992 to 191 lakhs in December, 1998 showing a Cumulative Average Growth Rate of 20%) will continue to play an important and indeed, dominant role in the development of the sector. On the other hand, there are also imponderables such as the likely impact of "rebalanced" tariff, opening up of long distance, corporatisation of the Department of Telecom, etc. which will adversely affect the overall resource position of the Department and severely limit its capacity to undertake the massive developmental programme which lies ahead.

83. The above mentioned areas have been of utmost concern to the Standing Committee. Considering that the track record of private sector in providing telecom services in rural, tribal and other remote areas has not been encouraging, the Department of Telecom or in whatever form it may exist in future, will have to share the brunt of these social responsibilities at considerable cost. It would therefore be extremely desirable that the Government considers setting up a "Telecom Development Fund" to enable the Department of Telecom to cope with the uncertainties and yet fulfil the targets more so if the private sector does not meet the expected obligations. A suitable corpus of the fund will need to be created by crediting into it revenues accruing to the Government by way of licence fee/revenue sharing etc. and also budgetary support. The Fund will need to maintain a minimum balance consistent with developmental needs of the Telecom Sector and the role of Department of Telecom in providing these services. Appropriate agencies like Telecom Commission can be entrusted with the responsibility of administering this Fund for balanced growth of telecom infrastructure with particular emphasis on rural, tribal and remote areas.

**(E) PCO**

84. As per the National Telecom Policy, 1994, one PCO is to be provided for every 500 urban population by 1999. In that context, the Committee wanted to know how far the Department has been able to achieve that objective.

85. It was replied that the objective of one PCO for every 500 population as envisaged in the National Telecom Policy, 1994 has been substantially achieved in January 1999. Circle-wise break up is stated to be as below:-

PCO/Population Ratio

(As on 31.1.99)

S.No.	Name of Circle	Estimated Urban Population	No. of PCOs	PCO/Population Ratio
1	2	3	4	5
1.	A&N	84410	136	1/621
2.	Andhra Pradesh	20068262	34209	1/587
3.	Assam	2783525	4680	1/595
4.	Bihar	12812932	13171	1/973
5.	Gujarat	16053289	33282	1/482
6.	Haryana	4558189	7833	1/582
7.	H.P.	501058	3235	1/155
8.	J&K	2072643	2838	1/730
9.	Karnataka	15606165	28601	1/546
10.	Kerala	8665221	22978	1/377
11.	Madhya Pradesh	17296915	26323	1/657
12.	Maharashtra	23736787	40836	1/581

1	2	3	4	5
13.	North Eastern	2124913	3666	1/580
14.	Orissa	4768803	12654	1/377
15.	Punjab	6976317	25552	1/273
16.	Rajasthan	11313200	21300	1/531
17.	Tamilnadu	17744920	29730	1/597
18.	Uttar Pradesh (E)	31160420	42304	1/737
19.	U.P. (West)			
20.	West Bengal	8742426	7887	1/1108
21.	Mumbai	11166326	49511	1/226
22.	Calcutta	12300729	20284	1/606
23.	Delhi	10558886	37128	1/284
24.	Chennai	4276322	23249	1/184

86. It would be seen from the above chart that in West Bengal the PCO-population ratio is 1:1108, in Bihar it is 1:973, in U.P. 1:737, in Jammu & Kashmir 1:730, in Andaman & Nicobar Island 1:621, in Madhya Pradesh 1:657 and in Calcutta 1:606.

87. The Committee, therefore, asked what action was being taken in the above mentioned States to bridge the gap in the PCO population ratio. It was replied that the Department was nowhere restricting the number of PCOs. As and when applications are received the same are cleared by the Allotment Committee consisting of two official Members and two/three Members nominated by local MPs. The Allotment Committee carefully scrutinises the eligibility conditions and allot the



PCOs provided the applicant meets the eligibility conditions. The total PCOs allotted are within the limits of the 5% of the exchange capacity.

88. However, in view of the PCO population ratio in the States mentioned above, the Department is stated to be in the process of revising the PCO allotment policy which will liberalise the allotment procedure.

89. In reply to a query regarding monitoring system devised to protect the consumers from malpractices resorted to by PCO booth operators, it was replied that instruction have been reiterated to the field offices to take up periodical inspection of PCOs at least once in every six months and report the same to the Vigilance Wing of the Telecom Directorate. In addition, surprise checks are also being conducted by the field units. Thirdly, PCO Charge indicators are operated from 16 KHZ pulses which are fed and controlled by the Exchanges to curb manipulation by PCO operators. Further, due to continuous growth in number of PCOs and easy accessibility of the Public to such booths, it is felt that market forces will also help in curbing instances of overcharging.

90. To a specific query regarding the number of complaints received from the public in this regard during the last one year and the action taken thereon, it was replied that instructions are issued from the DoT headquarters. For taking action against the franchises who violate the terms and conditions of the agreement of running the PCOs. However, complaints of overcharging etc. are generally received in the field offices where the PCO operators are found violating the rules.

91. The Department further stated that although statistics about number of complaints received and the cancellation of PCO/STD booth all over India was not readily available, the figures for the cities of Delhi, Mumbai, Bangalore and Chennai are as follows:

Name of the city	No. of complaints received	Action taken for disconnection of PCO/STD booths
Delhi	79	268
Mumbai	30	33
Bangalore	57	57
Chennai	30	714

92. The Committee asked whether it would not be possible to install coin boxes on PCO booths to check malpractices by PCO booth operators. It was replied that as per instructions local PCOs should be terminated on a coin collection Box type instrument. Whenever, there is a short supply of coin collection boxes, franchisees have been allowed to procure TEC approved CCBs with the concurrence of the CGM of the Circle concerned. However, because of shortage of coins and frequent changes in their size, coin type of PCOs especially STD/ISD PCOs are not very popular. However, the Committee during study tour to Telecom Factory, Bombay learnt that capacity of manufacturing coin boxes alongwith other items was not fully utilised for want of adequate orders. To overcome this problem the Department has introduced Virtual Calling Card (VCC) in selected cities to startwith. An individual can purchase a VCC carrying a unique number and can make STD/ISD/local calls from any non-STD telephone/local PCO without direct payment to the telephone or PCO holder. The Department has also decided to introduce Smart Card Operated STD/ISD PCOs in nine cities viz. Delhi, Mumbai, Chennai, Calcutta, Bangalore, Ahmedabad, Pune, Indore and Hyderabad in the first phase and the scheme will be extended to other cities progressively.

93. The Committee then pointed out that almost all the PCO booth operators charge Rs. 2/- for local call as the rate for a local all comes to Rs. 1.31 paise and small coins are generally not available. In view of it the Committee asked whether it would be desirable to round off the call rate to Rs. 1.50 paise.

94. It was replied that as per the tariff prescribed by the TRAI and accepted by the Government, the local call will be charged at the rate of Rs. 1.20 paise for every 3 minutes duration. DoT is also in the process of deciding the local call rates made from a PCO to a rounded off figure and while fixing the rate, the Department would keep in view the suggestion of the Committee.

95. The National Telecom Policy, 1994 provides the objective of one PCO for every 500 urban population. This has been claimed to be achieved by DoT in January, 1999 but the Committee notes that the PCO-population ratio is 1:1108 in West Bengal, 1:973 in Bihar 1:737 in U.P., 1:730 in Jammu & Kashmir, 1:621 in Andaman & Nicobar Islands, 1:657 in Madhya Pradesh, 1:606 in Calcutta and in some other States also it is higher than the policy objective. The Committee feels that further liberalisation on the allotment procedure of PCOs is called for in view of the position mentioned in the aforesaid States.

96. As regards monitoring system devised to protect the consumers from malpractices resorted to by the PCO booth operators, the Committee observes that instructions have been issued and reiterated to the Circle Offices for tanking up periodical inspection of PCOs at least once in every six months besides resorting to surprise checks. The Committee appreciates the steps taken by the Department in this regard. However, it feels that issuance of instructions/guidelines to the field offices has not had the desired effect as complaints from the public continue to pour in against the malpractices of PCO booth operators. The Committee, therefore, recommends that the Department should strengthen its monitoring system to see that the instructions issued from the Headquarters are followed in letter and spirit in the interest of PCO booth users.

97. The Committee is surprised to note that in the four cities of Delhi, Mumbai, Bangalore and Chennai, only 196 complaints have been received against the PCO booth operators during the last one year whereas action has been taken for disconnection of as many as 1072 PCO booths during the corresponding period. In Chennai alone, 714 PCO have been disconnected for foul play. Considering the number of complaints received vis-a-vis action taken against PCO booth operators, the Committee is inclined to believe that the procedure for registering complaints against erring booth operators should be given wider publicity. The Committee would also like to be apprised of the number of complaints received and action taken for disconnection of PCOs in other major cities during the last one/two years.

98. The Committee is not convinced that coin boxes for PCOs are in short supply. In fact these are manufactured by the captive Telecom Factories which were not getting sufficient orders for them. The idle capacity of Telecom Factories to manufacture coin boxes should be fully utilised. The Committee notes that to overcome the problems of unpopularity of coin type PCOs especially STD and ISD PCOs, the Department has introduced Virtual Calling Card (VCC) in selected cities and has also decided to introduce Smart Card operated STD/ISD PCOs in nine cities like Delhi, Mumbai, Chennai, Calcutta, Bangalore etc. The Committee would like the Department to explore the feasibility of the introduction of similar facilities in other cities after gaining some experience in their use in the nine cities mentioned above.

99. The Committee notes that the Department is in the process of deciding the local call rates made from a PCO to a rounded off figure with a view to avoiding overcharging by the PCO booth operators. The Committee recommends the Department to finalise the rate at an early date in view of large scale public discontentment in this regard.

**(F) Fault Rate**

100. It was noticed from the Annual Report furnished to the Committee that telephone fault rate per 100 stations (phones + extensions) per month has increased to 17.4 during 1997-98 from 17.2 during 1996-97. The Committee pointed out that during 1988-89 the fault rate was 21.2 per 100 stations per month when most of the Exchanges were Electro-mechanical. But over the years when most of the old Exchanges have been replaced by modern Electronic Exchanges which are stated to be almost fault free, the Committee asked whether the fault rate of 17.4 per 100 stations per month was not still too high.

101. It was replied that as a result of the replacement of Electromechanical Exchanges by Electronic Exchanges, faults due to Exchange equipment have been reduced to great extent. Most of the faults now are due to external plant for which the Department has initiated a number of measures like improving the quality of dropwire and telephone instruments, replacing the PCUT cable by Jelly filled cable, laying underground cable besides introducing new technology equipments like CNES and DLCS etc. As a result of these measures, fault rate has already been reduced to a single digit in many of the Exchanges. The Department expects that single digit fault rate shall be achieved in a large number of Exchanges in a couple of years.

102. The Committee desired to know the measures taken to curb fault rate. The Member(s) replied that the Department has taken a massive drive to reduce the fault rate. It was decided last year that at least one Exchange in one district will do without the dropwire which means the cable would be drawn right upto the subscriber's premises. This year it has been decided that at least five Exchanges in one district will discard the dropwire. The representative of DoT stated that he has got the report of 240 Exchanges where the fault rate as come down to less than ten and assured the Committee that they would have very good improvement on the fault rate in the coming years.

103. To this the Committee asked whether the Department would be able to achieve the objective by using better quality equipments only or better monitoring and maintenance was also to be taken into account. The Member(s) submitted that it has to be all of them.

104. The Committee asked about the fault rate recorded in MTNL areas. The CMD, MTNL replied that it was around 20 per cent. Expressing its surprise the Committee asked if that was the case in MTNL areas i.e. Bombay and Delhi, how the Department expected to reduce the fault rate in less focussed areas. The Secretary, DoT responded that as a matter of fact in Calcutta and Chennai the fault rate is much lower than the 20 per cent in Delhi and Mumbai.

105. The Committee enquired about the measures taken by MTNL to reduce the fault rate. The CMD, MTNL replied that MTNL and DoT have been able to come to international standard upto the gate of the telephone exchange. But the first mile or the last mile was still the main problem for which technological inputs and adoption of new technology are absolutely essential. And for that, massive investments are required in the external plant in adopting the new technologies.

106. The Committee then desired to know from the Department the action taken by it in the interest of the consumers in case of faults not being attended to promptly or within the stipulated time frame. The Member(s) replied that generally the Department does not charge rentals from the subscribers if the fault has not been attended to for seven days. However, it is a different case if there is a mistake somewhere. Secondly, the Department has given a direction that even cable faults should not persist for long.

107. The Committee queried how the aforesaid rebate is being given to the subscriber in view of the fact that the Department always asks the subscriber to deposit the amount first. To this the Member(s) replied that the rebate is given and reflected in the next bill.

108. The Committee notes that during 1998-99 when most of the Exchanges were Electromechanical the fault rate was 21.2 per 100 Stations (Telephones plus extensions) per month. After ten years i.e. during 1997-98 when most of the Exchanges have been replaced by modern Electronic Exchanges which are relatively fault free, the fault rate is still on a higher side i.e. 17.4 per 100 stations per month. Although the Department has stated to be taking a number of measures like improving the quality of dropwire and telephone instruments, replacing PCUT cable by Jelly filled cable, introducing new technology, deciding that at least five Exchanges in one District to go without the dropwire as a result of which fault rate has been reduced to a single digit, yet the Committee feels the Department has miles to go in view of the existing fault rate. The Committee feels that besides replacement of equipments, cable etc. meticulous monitoring, better maintenance and commitment of dedicated staff must be ensured. The Committee, therefore, recommends that the Department, side by side with upgrading/replacing the equipments/materials should also sort out the human element involved in the fault rate so that noteworthy improvement is achieved in this regard in the coming years. The Committee would like to be apprised of the action taken and improvements made in this regard within three months from presentation of this Report.

109. The Committee observes that there is 20 per cent fault rate in MTNL areas i.e. in Delhi and Mumbai as compared to 17.4 in DoT areas. That massive investments are required in the external plant in adopting the new technologies, as stated by the CMD, MTNL, cannot be construed as an excuse for such a high fault rate in MTNL areas. The Committee, therefore, desires the MTNL to initiate necessary action in this regard as early as possible if it aspires to come anywhere near the international standard in the near future. Here also, alongwith adoption of new technologies, monitoring aspect need to be strengthened.

110. The Committee is informed that the DoT generally does not charge rentals from the subscribers if the fault has not been attended for seven days. But the way the rebate is given in this regard and procedure followed requires to be streamlined. Customers should also be made aware of it through wider publicity so that the system works in harmony. The Committee desires that the Department should evolve suitable methods whereby subscribers who are faced with bills, which apparently seem to be incorrect, can be granted

**quick and suitable relief. When a complaint is made, hardly any transparent, if at all, method is adopted to look into the complaint. The harassment faced by such subscribers is too well-known and DoT should take all steps to avoid the same.**

**(G) Complaints/Grievances**

111. In view of the large number of complaints being received from the public regularly about the telecommunications, the Committee desired to know the measures taken by the Department to improve the present level of overall customer satisfaction and strengthen the complaints/grievances redressal machinery in both DoT and MTNL.

112. In reply it was stated that for improving the overall customer satisfaction, the Department was taking both technical and administrative action. The quality of equipment both internal and external is being improved and new technologies are also being inducted in the services to increase overall customer satisfaction.

113. For redressal of complaints/grievances, open House sessions and telephone Adalats are held regularly. All the officers having public interaction are meeting the customers every day within the fixed time. Computers have been introduced in various services like Directory enquiry, fault reporting, changed number announcement etc. Single window concept has been introduced in DoT through customer service centre in order to deal customers in a friendly manner. The Department has also set up public grievance cells in field units at different levels as well as Telecom Commission Headquarters for expeditious disposal of petitions.

114. When the Committee desired to know about the measures taken by MTNL in this regard, the CMD replied that MTNL has initiated special course to change the mindset of the employees as focus has to be upon customer orientation. By the year 2000, all the customers care affairs would be settled in one or two layers of the organisation instead of the existing 14/15 layers. Fostering empowerment has now made it possible to settle the cases at the lowest level itself.

115. The Secretary, DoT supplemented that MTNL is trying to evolve a new organisational culture. It has the potential to be a multinational concern and it will be the Department's endeavour to support MTNL in this direction.

116. The Committee notes that in order to reduce the present level of overall customer dissatisfaction and to strengthen the complaints/grievances redressal machinery the DoT is taking a number of steps like improvement in the quality of equipments both internal and external, holding of Open house sessions and Telephone Adalats, public interaction, introduction of computers and single window concept, constitution of Public Grievance Cells at different levels etc. Similarly, MTNL focussing its attention upon customer orientation, has initiated special course to change the mindset of its employees besides chalking out plans to settle all the customer care affairs in one or two layers of the organisation. Such steps can be commended if they result in actually improving the overall customer satisfaction level. But in view of the widespread public dissatisfaction towards the services rendered by DoT and MTNL, as has been experienced by the Committee during the course of its periodical study tours to different parts of the country and from the petitions received from time to time, the Committee is inclined to believe that administrative will is still lacking in DoT/MTNL's efforts. The Committee, therefore, recommends that both DoT and MTNL should further improve their efforts towards raising the customer satisfaction level and strengthening the complaints/grievances redressal machinery as well.

**(H) ITI Limited**

117. In view of the improved performance on the part of ITI Ltd. in the recent years, the Committee desired to know about the financial support and other packages being given to the Company for the year 1999-2000.

118. It was replied that no budgetary support or separate package has been given to the Company for the present year. However, DoT has been providing all possible help for improving the performance of the Company. The present policy is to reserve 30% of the requirement for ITI for those equipments which are manufactured by ITI and not by HTL. In case of equipments manufactured both by ITI and HTL, 25% of the requirement is reserved for ITI and 10% for HTL.

119. During evidence the Committee asked the CMD, ITI whether the Company could function without any budgetary support. He submitted that the Company definitely needed some financial support either in the form of equity or in some other form and the matter would be taken up with DoT.



120. However, the Secretary, DoT deposed before the Committee in this regard that the request of the Company for some equity support was examined in great detail by the Department in consultation with the Ministry of Finance and after a very careful examination of all the facts and figures given by the Company, it transpired that there was no case for any equity support or non-plan loan to the Company.

121. The Secretary further added/stated that DoT would continue to give price and order preference to the Company in view of its improved performance. As regards the reimbursement of the expenditure incurred on Voluntary Retirement Scheme (VRS), the Secretary apprised that during the year 1998-99 the Company was given Rs. 10 crore as reimbursement of VRS although the requirement was much more than that. Therefore, for the year 1999-2000 it has been projected to reimburse the Company an amount of Rs. 35 crore towards this end. The Secretary expressed his hope that if DoT could give ITI adequate funds for their VRS in addition to the reservation of orders as mentioned above the Company could turn around in view of the better performances in recent years.

122. The Secretary further apprised the Committee that for the year 1998-99 the Company was going to exceed its target by a good amount of Rs. 50 crore. But the liability towards the announcement of a new wage structure effective from 1 January, 1997 would cost the Company around Rs. 50 crore. Therefore, whatever has been achieved would probably get wiped out for this extra commitment and the Company may not be able to show performance in terms of profitability commensurate with increase in physical input. But from next year onwards if the physical target is achieved the Company should be able to turn around.

123. The Committee notes that although ITI has asked for some financial support either in the form of equity or in some other forms, yet the DoT has expressed its inability to provide the same after examining the request of the Company in consultation with the Ministry of Finance. However, the Department during the year 1998-99 has reimbursed the Company Rs. 10 crore and for the year 1999-2000 has proposed to reimburse Rs. 35 crore towards expenditure incurred on implementation of the Voluntary Retirement Scheme

(VRS). Moreover, the purchase preference would continue which may give ITI Ltd. some support which is required desperately. The Committee further notes that the Company is saddled with a large surplus workforce which has to be supported because of socio-economic implications for a considerable period. In view of it, the Committee urges the DoT to re-examine the request of the Company for a special financial package in the form of equity or soft loan. It would, the Committee feels accelerate turn around of the Company and would be beneficial to the country as well as the Government, as the latter is the majority equity holder in the Company.

124. The Committee also notes that consequent upon the announcement of a new wage structure, the liability towards it will cost ITI around Rs. 50 crore which may probably neutralise the good performance shown by the Company during the year 1998-99. However, as the liability period is transitory the Company, in view of its recent performances, should thrive hard to achieve the target in the coming years which would ultimately help it in getting turn around to a great extent.

#### (I) HTL

125. As regards budgetary support extended to HTL for the year 1999-2000 the CMD, HTL apprised the Committee that although the Company had requested Rs. 4 crore as budgetary support for investment in Capital, they have got Rs. 2 crore towards this end.

126. The Committee asked whether any equity support has been given to the Company. The CMD responded that the Company had not asked for anything extra. But on the restructuring proposals, the Department is examining the Company's loan content and it is under process.

127. So far as the performance of the Company was concerned, the CMD apprised the Committee that the Company performed well during 1998-99, reached around Rs. 300 crore turnover and made a higher profit compared to the last year. Diversifying its production line to suit DoT's requirement, the Company has shown better performances

128. The Secretary, DoT in response to a query stated that like ITL, HTL has also been given purchase order preference for its products like MDF, SDF etc. The Company has also got 50 per cent reservations apart from what the telecom factories have.

129. The Disinvestment Commission has recommended to the Government to explore possibility of selling hundred per cent strategic equity stake in HTL or alternatively fifty per cent of shares may be offered to a strategic partner through a global competitive bidding. But in view of the confidence exuded by both the company and the Telecom Commission in the company's future, the Committee in its 11th Report has recommended that the Company should be first turned around before deciding its future. The Ministry was also of the same view. A note was earlier sent to the Core Group of Secretaries through Department of Economic Affairs on 9.12.1997 expressing Ministry's view for deferment of disinvestment till the Company turns around and with a modification that only 49% Government equity be disinvested instead of 50% proposed by Disinvestment Commission. The Core Group of Secretaries on 21.9.1998 also decided that 49 per cent Government equity in HTL be disinvested and sent its recommendations to the Cabinet for their approval. However, the Cabinet on 16.12.1998 approved 50% disinvestment in HTL and appointment of Merchant Bankers/Global Advisers to work out the details and modalities of disinvestment to a strategic partner.

130. The Committee is happy to learn that during the year 1998-99 HTL's performance was good as a result of which the Company achieved around Rs. 300 crore turnover and earned a better profit compared to the year 1997-98. This has been made possible by DoT's reservation of orders for the Company and the Company's diversification of product line to suit DoT's requirements. In this context, the Committee would like DoT to continue its present policy of reservation of orders for HTL and the Company in turn should keep diversifying its product line to suit the changed telecom scenario and sustain the competitive environment.

131. The Committee is extremely unhappy to note that in spite of the DoT's and the Core Group's decision that 49% Government equity instead of 50% in HTL be disinvested, the Cabinet has approved 50% disinvestment in HTL. This Committee has also recommended in its Eleventh Report that disinvestment of HTL should take place only after the restructuring of the Company. The

**Committee does not find any justification for the departure from the recommendation of the DoT and the Core Group and would like to be apprised of the same.**

**(J) Telecom Factories**

132. The Committee has been informed that Rs. 12.92 crore has been provided in the Budget Estimates of 1999–2000 for purchase of new machinery, apparatus and plant for Telecom Factories. As regards other packages it has been stated that 50% of DoT's total requirement of Main Distribution Frames (MDFs) for SBMs and 256 Port RAXs has been reserved for Telecom Factories. DoT is also purchasing entire production of Telecom Factories and the shortfall of the requirement is purchased from open market. The Committee has further been apprised that in the year 1999–2000, Telecom Factories are expected to have a turn over of Rs. 287 crore against the likely turn over of Rs. 225 crore in 1998–99.

133. A Product Development Group has been set up to identify new products for diversification of items to be produced in Telecom Factories. The Group has already identified a number of items which could be produced in Telecom Factories. For Telecom Factory, Kharagpur, appointment of a consultant to advise on increasing the productivity and improving its performance has been proposed.

134. The Committee in its Twelfth Report on "working of Telecom Factory" due to obsolescence of conventional items in the Telecom Factories, there is an urgent need to induct new technology. It has also been noticed that as on May, 1998 there are 255 idle workforce at Mumbai and 100 at Calcutta Factories.

135. The Committee notes that a provision of Rs. 12.92 crore has been made in the Budget Estimates for purchase of new machines, apparatus and plant for the Telecom Factories. DoT is reported to have been purchasing the entire production of Telecom Factories and the shortfall in its requirements from open market. However, the Committee in its Twelfth Report has observed that out of the items that are being produced in the Telecom Factories, DoT purchases only 30% of the same and the rest from the private suppliers. In this context, the Committee would like to stress that although indigenous capacity in the country which has come up is

to be supported, yet it should not be done at the cost of Telecom Factories which are the captive units of the Department. The Committee therefore, recommends that DoT should first fully utilise the capacities of the Telecom Factories before procuring these items from open market.

136. The Committee is happy to learn that a Product Development Group which has been set up to identify new products for diversification of items to be produced in Telecom Factories has already identified a number of items. However, in view of the importance being given to diversification and modernisation of products by Telecom Factories, the idle workforce existing there etc., the Committee feels that the provision of Rs. 12.92 crore which has been earmarked for the year 1999-2000 for Telecom Factories to purchase new machines, apparatus and plant needs to be increased. The Committee therefore, recommends DoT to review the matter, take suitable action and apprise the Committee accordingly.

NEW DELHI;  
17 April, 1999  

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26 Chaitra, 1921 (Saka)

SOMNATH CHATTERJEE,  
Chairman,  
*Standing Committee on Communications.*

ANNEXURE I

MINUTES OF THE TWENTY-SIXTH SITTING OF THE STANDING  
COMMITTEE ON COMMUNICATIONS (1998-99)

The Committee sat on Thursday, the 11th March, 1999 from 15.00 hours to 16.30 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Mahendra Baitha
3. Shri Shantilal Purshottamdas Patel
4. Shri Baijnath Rawat
5. Shri Braja Kishore Tripathy

*Rajya Sabha*

6. Shri Kartar Singh Duggal
7. Shri Kanak Mal Katara
8. Shri Narendra Mohan
9. Smt. Veena Verma
10. Shri K. Rahman Khan

SECRETARIAT

1. Shri P.D.T. Achary — *Joint Secretary*
2. Shri S.K. Sharma — *Deputy Secretary*
3. Shri A.S. Chera — *Under Secretary*

**Representatives of Department of Telecommunications**

1. Shri Anil Kumar — Chairman, Telecom Commission & Secretary, DoT
2. Shri A. Prasad — Member (F)
3. Shri P.S. Saran — Member (S)
4. Shri N.K. Sinha — Member (T)
5. Shri S.P. Purwar — Adviser (F)
6. Smt. Annie Moraes — DDG (BLF)
7. Shri V.P. Sinha — Sr. DG (LTP)

2. At the outset, the Chairman welcomed the representatives of the Department of Telecommunications. The Secretary and other officials of DoT then briefed the Members of the Committee about the Demands for Grants (1999-2000) relating to DoT.

3. A verbatim record of the sitting has been kept.

*The Committee then adjourned.*

ANNEXURE II

MINUTES OF THE TWENTY-NINTH SITTING OF THE  
STANDING COMMITTEE ON COMMUNICATIONS (1998-99)

The Committee sat on Tuesday, the 30th March, 1999 from 14.00 hours to 16.30 hours in Committee Room '62', Parliament House, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Dowarka Parashad Bairwa
3. Shri Sudip Bandyopadhyay
4. Smt. Sheela Gautam
5. Shri Jay Krishna Mandal
6. Shri Baijnath Rawat
7. Shri Chandrashekhar Sahu
8. Shri K. Asungba Sangtam
9. Shri Harpal Singh Sathi
10. Shri Krishan Lal Sharma
11. Dr. Chhatrapal Singh
12. Shri Nakli Singh
13. Shri Rajveer Singh
14. Shri Surender Singh
15. Shri Braja Kishore Tripathy
16. Shri Surendra Prasad Yadav (Jhanjharpur)
17. Shri T. Govindan



*Rajya Sabha*

18. Shri R.N. Arya
19. Shri Kartar Singh Duggal
20. Shri Kanak Mal Katara
21. Shri Dawa Lama
22. Smt. Chandresh Kumari
23. Shri R. Margabandu
24. Shri Narendra Mohan
25. Ms. Mabel Rebello
26. Shri Shatrughan Sinha

## SECRETARIAT

1. Shri P.D.T. Achary — *Joint Secretary*
2. Shri S.K. Sharma — *Deputy Secretary*
3. Shri A.S. Chera — *Under Secretary*

**Representatives of Department of Telecommunications**

1. Shri Anil Kumar — Chairman, Telecom Commission & Secretary, DoT
2. Shri A. Prasad — Member (F)
3. Shri P.S. Saran — Member (S)
4. Shri N.K. Sinha — Member (T)
5. Shri S.P. Purwar — Adviser (F)
6. Shri R.N. Goel — Adviser (O)
7. Dr. Vijay Kumar — Adviser (P)
8. Shri N.R. Mokhariwale — Adviser (HRD)

2. At the outset, the Chairman welcomed the Secretary, DoT and other officials accompanying him.

3. The Committee sought certain clarifications on the issues relating to the Demands for Grants (1999–2000) of DoT and the representatives responded to the same.

4. A verbatim record of the sitting has been kept.

*The Committee, then, adjourned to meet  
again on 31.3.1999.*

MINUTES OF THE THIRTIETH SITTING OF THE STANDING  
COMMITTEE ON COMMUNICATIONS (1998-99)

The Committee sat on Wednesday, the 31st March, 1999 from 11.00 hours to 13.30 hours in Committee Room No. '62', Parliament House New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Dowarka Parashad Bairwa
3. Shri Mahendra Baitha
4. Shri M. Durai
5. Shri Sudip Bandyopadhyay
6. Smt. Sheela Gautam
7. Shri Jay Krishna Mandal
8. Shri Bajinath Rawat
9. Shri K. Asungba Sangtam
10. Shri Harpal Singh Sathi
11. Dr. Chhatrapal Singh
12. Shri Nakli Singh
13. Shri Rajveer Singh
14. Shri Surender Singh
15. Shri Braja Kishore Tripathy
16. Shri Surendra Prasad Yadav (Jhanjharpur)
17. Shri Krishna Lal Sharma

*Rajya Sabha*

18. Shri Kartar Singh Duggal
19. Shri Kanak Mal Katara
20. Shri K. Rahman Khan
21. Shri Dawa Lama
22. Smt. Chandresh Kumari
23. Shri R. Margbandhu
24. Shri Narendra Mohan
25. Ms. Mabel Rebello
26. Shri Shatrughan Sinha
27. Smt. Veena Verma

## SECRETARIAT

1. Shri P.D.T. Achary — *Joint Secretary*
2. Shri S.K. Sharma — *Deputy Secretary*
3. Shri A.S. Chera — *Under Secretary*

## REPRESENTATIVES OF DEPARTMENT OF TELECOMMUNICATIONS

1. Shri Anil Kumar — Chairman TC & Secretary,  
DoT
2. Shri A. Prasad — Member (F)
3. Shri P.S. Saran — Member (S)
4. Shri N.K. Sinha — Member (T)
5. Shri S.P. Purwar — Adviser (F)
6. Shri R.N. Goel — Adviser (O)
7. Dr. Vijay Kumar — Adviser (P)
8. Shri N.R. Mokhariwale — Adviser (HRD)

2. The Committee took up further examination of the Demands for Grants (1999-2000) of DoT and sought clarifications on some other points.

3. The Chairman thanked the officials of the Department of Telecommunications for furnishing valuable information to the Committee and for the free and frank views expressed on various points raised by the Members.

4. A verbatim record of the sitting has been kept.

*The witnesses then withdrew.*

5.	***	***	***	***	***	***
6.	***	***	***	***	***	***

*The Committee then adjourned.*

ANNEXURE IV

MINUTES OF THE THIRTY-FOURTH SITTING OF THE  
COMMITTEE ON COMMUNICATIONS (1998-99)

The Committee sat on Friday, the 16th April, 1999 from 15.00 hours to 16.00 hours in Committee Room No. '62', Parliament House, New Delhi.

PRESENT

Shrimati Veena Verma — *In the Chair*

MEMBERS

*Lok Sabha*

2. Shri Somjibhai Damor
3. Shri T. Govindan
4. Shri Rizwan Zaheer Khan
5. Shri Jay Krishna Mandal
6. Shri Shantilal Purshottamdas Patel
7. Shri Madan Vishwanath Patil
8. Shri Bajjnath Rawat
9. Shri Chandrashekhar Sahu
10. Shri K. Asungba Sangtam
11. Shri Krishan Lal Sharma
12. Dr. Chhatrapal Singh
13. Shri Nakli Singh
14. Shri Rajveer Singh
15. Shri Surendra Singh
16. Dr. (Smt.) Prabha Thakur
17. Shri Braja Kishore Tripathy
18. Shri Surendra Prasad Yadav (Jhunjharpur)

*Rajya Sabha*

19. Shri R.N. Arya
20. Shri Kanak Mal Katara
21. Shri K. Rahman Khan
22. Shri R. Margabandu

## SECRETARIAT

1. Shri S.K. Sharma — *Deputy Secretary*
2. Shri A.S. Chera — *Under Secretary*

2. Under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha, Smt. Veena Verma was chosen to act as Chairperson for the sitting in the absence of the Chairman, Standing Committee on Communications.

3. The Committee took up for consideration the following Draft Reports and adopted the same without any amendments/modifications:

(i) Draft Thirteenth Report on Demands for Grants 1999–2000 relating to Department of Telecommunications, Ministry of Communications.

(ii) \*\*\*                    \*\*\*                    \*\*\*                    \*\*\*                    \*\*\*                    \*\*\*

3. the Committee then authorised the Chairman to finalise and present/lay the Reports in both the Houses of Parliament.

*The Committee then adjourned.*