

EIGHTEENTH REPORT

STANDING COMMITTEE ON COMMUNICATIONS (1995-96)

(TENTH LOK SABHA)

MINISTRY OF COMMUNICATIONS (I) POSTAL SERVICES AND (II) TELECOMMUNICATIONS SERVICES DEMANDS FOR GRANTS (1994-95)

[Action Taken by Government on the Recommendations contained in the Sixth Report of Standing Committee on Communications—Demands for Grants (1994-95)—Ministry of Communications including (i) Postal Services and (ii) Telecommunications Services]

Presented to Lok Sabha on 10 05 95
Laid in Rajya Sabha on 10 05 95



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LOK SABHA SECRETARIAT
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COMPOSITION OF STANDING COMMITTEE ON
COMMUNICATIONS
(1995-96)

Kumari Vimla Verma — *Chairperson*

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5. Shri Surajbhanu Solanki
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1. Shri S.N. Mishra — *Additional Secretary*
2. Shri G.C. Malhotra — *Joint Secretary*
3. Shri O.P. Ghai — *Deputy Secretary*
4. Shri S.K. Sharma — *Under Secretary*

INTRODUCTION

I, the Chairperson of the Standing Committee on Communications (1995-96) having been authorised by the Committee to submit the Report on their behalf, present this Eighteenth Report on Action Taken by Government on the recommendations contained in the Sixth Report (Tenth Lok Sabha) of the Committee on Demands for Grants (1994-95)—Ministry of Communications including (i) Postal Services and (ii) Telecommunication Services.

2. The Sixth Report was presented to Lok Sabha on 25 April, 1994 and was also laid in Rajya Sabha the same day. The Department of Telecommunications and the Department of Post furnished their updated replies indicating Action Taken on the recommendations contained in the Report on 9 January, 1995 and 22 February, 1995 respectively. Draft Report was considered and adopted by the Standing Committee on Communications (1994-95) at their sitting held on 7 April, 1995.

3. An Analysis of Action Taken by Government on the Recommendations contained in the Sixth Report of Standing Committee on Communications (Tenth Lok Sabha) is given in Appendix-II.

NEW DELHI ;
25 April, 1995

5 Vaisakha, 1917 (Saka)

KUMARI VIMLA VERMA,
Chairperson,
Standing Committee on Communications.

CHAPTER I

REPORT

1.1 This report of the Standing Committee on Communications deals with the action taken by Government on the recommendations contained in their Sixth Report (Tenth Lok Sabha) on Demands for Grants (1994-95)—Ministry of Communications including (i) Postal Services, and (ii) Telecommunication Services.

1.2. The Sixth Report was presented to Lok Sabha on 25 April, 1994 and was also laid on the Table of Rajya Sabha the same day. It contained 16 observations/recommendations.

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

- (i) Recommendations/observations that have been accepted/implemented by Government:

Paras : 1.6, 2.14, 2.29, 2.30, 2.34, 3.2, 3.6, 3.13, 3.14, 3.26, 3.27, 3.28 & 3.29.

- (ii) Recommendations/observations which the Committee do not desire to pursue in view of Government's replies.

Para : 2.10

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

Para : 1.4, 2.32

- (iv) Recommendations/observations in respect of which replies are of interim nature.

NIL

1.3. The Committee trust that utmost importance would be given to the implementation of recommendations accepted by the Government. In case where it is not possible for the Government to implement the recommendations in their letter and spirit for any reason, the matter should be reported to the Committee in time with reasons for non-implementation.

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

Fluctuation with Regard to Other Charges

Recommendation No. 1 (Para 1.3 and 1.4)

1.5. The Committee in paras 1.3 and 1.4 of their Sixth Report on Demands for Grants (1994-95) had observed wide *fluctuation* with regard to "Other Charges" indicated in sub-head B1 (9) of Major Head 3275. Whereas the actual expenditure incurred under this sub-head during 1991-92 was Rs. 11,42,000, the actuals of 1992-93 was only Rs. 2,24,000. In BE 1993-94 the amount was once again increased to Rs. 11,60,000. However, in RE 1993-94, it has been slightly decreased to Rs. 10,44,000. Further, in BE 1994-95 the Committee observed a provision for the amount equal to RE 1993-94 *i.e.* Rs. 10,44,000 had been made on the same account.

1.6. To a query on such fluctuations, the Department had clarified that expenditure under the Sub-head "Other Charges" mainly included payments made for foreign publications issued by International Telecommunications Union (ITU), etc. It was further informed that there was less expenditure booked during the year 1992-93 because either orders were not placed for these publications or supplies were not received. However, the Committee noticed that for publication expenditures, there was already a sub-head *i.e.* B1 (6) and had therefore, concluded that Foreign Publication also could have been clubbed under the same sub-head.

1.7. The Department of Telecommunications in its reply have *inter-alia* stated that the Head B.1. (6)—"Publications" under Major Head 3275 is meant for procurement of books and periodicals (including ITU and foreign priced publications) for the *use of W.P.C. Wing* of Ministry of Communications. On the other hand the Head B.1. (9)—"Other Charges" under Major Head 3275 is meant for payment of charges for ITU priced publications procured for *other Government Departments*. These charges are subsequently reimbursed by the respective Departments and credited as minus expenditure under this head. Therefore, the Department has stated that the provision under this head depends upon the quantum of orders received from other Govt. Departments and the quantum of publications received from International Telecommunications Union.

1.8. The Committee feel that expenditure made under "Other Charges" indicated at the subhead B.1 (9) of Major Head 3275 should only include residuary heads of account to accommodate expenses which cannot be identified with any of the prescribed heads of accounts. Expenditure made

for payment of charges on account of International Telecommunications Union (ITU) priced publications procured for other Government Departments may be clubbed with the subhead specified for "Publication" under B.1 (6) of the Major Head 3275. Accordingly, the subhead B.1 (6) should include two sub-categories viz. (i) for procurement of books and periodicals (including ITU and foreign priced publications) for the use of Wireless Planning and Coordination (WPC) wing of Ministry of Communications and (ii) for payment of charges for ITU priced publications procured for other Government Departments. Therefore, these two sub-Categories should be separately indicated under the subhead "Publication" in the Demands for Grants itself, so that such type of confusion could be avoided in future.

Upgradation of Extra Departmental Post Office To Departmental Post Offices

Recommendation No. 7 (Para 2.31 and 2.32)

1.9. The Committee in paras 2.31 and 2.32 of their earlier Report had observed that upgradation of Extra Departmental Post Office to Departmental Post Offices by itself was not a separately targeted programme in the Budget Estimates. The Secretary, Department of Post had acknowledged that upgrading of a post office would create scope for increase in revenue. Government offices, BDOs or some business firms, at the block or village level tend to go to the nearby towns where a departmental post office operates, with the result that the growth in local traffic is not reflected in the growth in the work at the local branch Post Offices.

1.10. The Committee had recommended that instead of looking at this problem purely in terms of the current level of revenue generation (*i.e.* Postal cost and Postal income) and capital expenditure involved in such upgradation, the local economic criteria such as the growth/increase in terms of households or shops or business, etc. and assessment of potential for growth of the area be taken into consideration. Therefore, the Committee had recommended that a village, where there was a BDO, should be provided with a Sub-Post Office because a lot of work is generated at the block level due to various socio-economic programmes. The Committee had also recommended that a survey of existing Extra Departmental Post Office be undertaken to identify the Post Offices where development warrant upgradation.

1.11. The Department of Post in its reply have stated that Post Offices are upgraded subject to fulfilment of departmental norms and the availability of

resources. The opening/upgradation of Post Office is a Plan activity and survey for the purpose is being conducted by Divisional Superintendents on request from the public.

1.12. The Committee are not satisfied with the replies furnished by the Department with regard to the criteria adopted for upgradation of Post Offices. Therefore, the Committee reiterate their earlier recommendation, that the local economic criteria such as the growth/increase in terms of households or shops or business etc. and assessment of potential for growth of the area be taken into consideration for upgradation of Post Offices. The Committee recommend that a village, where there is a BDO, should be provided with a Sub-Post Office, because a lot of work is generated at the block level due to various socio-economic programmes. The Committee further reiterate their recommendation that a survey of existing Extra Departmental Post Offices be undertaken to identify the Post Offices where development warrant upgradation and such survey should not be based only on the request made by the Public.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation Serial No. 2 (Para No. 1.6)

Taking into account the increasing "Demands" being made under "Other Charges" category particularly in last two years, the Committee feel that the details of the charges included under "Other Charges" category may be specified in the "Demands for Grants" itself. Further, the Committee feel that appropriately the sub-head "Other Charges" should only include residuary heads of accounts to accommodate expenses which cannot be identified with any of the prescribed heads of accounts.

Action taken by the Department

The account Head B. 2 (8)—"Other Charges" under Major Head 3275 includes provision meant for reimbursement to State Govts. for deployment of Armed Guards in Monitoring Stations of Monitoring Organisation, Ministry of Communications at Calcutta, Shillong, Darjeeling and Gorakhpur under non-plan and International Satellite Earth Station, Jalna (Maharashtra) under Plan. This expenditure will, henceforth, be exhibited under "Payments for professional and special services" and the expenditure which can not be identified under any other prescribed heads will be booked under "Other Charges".

Recommendation Serial No. 4 (Para 2.14)

Therefore, the Committee strongly recommend relaxation of the ban imposed on recruitment of postmen, even if there has to be increase in the non-plan expenditure.

Action Taken by the Department

So far as the recruitment to the cadre of Postman is concerned, there is no ban on recruitment.

Recommendation Serial No. 5 (Para 2.29)

The Committee feel that there should be a better coordination between financial planning and physical target. The Committee strongly recommend that

atleast ten years perspective planning for development/modernisation of Postal Network be undertaken keeping in view both the present and future global development trend in this area. This would enable the department to place its orders for supply of equipment well in advance. Adequate attention is required to complete other allied works and procedural formalities before the budgetary allocation is made.

Action Taken by the Department

Appended in Annexure-I

Recommendation Serial No. 6 (Para 2.30)

The Committee further recommend that the work progress in civil constructions be closely monitored to ensure timely completion of the projects. Further there should be proper review of progress of work at regular intervals.

Action Taken by the Department

The Committee's recommendation has been taken due note of and the field units have been directed for closely monitoring the progress of works in civil construction so that the original time frame can be ashered to. To facilitate this process, a memorandum for the standing Finance Committee before approval of any new project has also been prescribed. The copies of the instructions issued to the field units are also enclosed in Annexure II & III.

Recommendation Serial No. 8 (Para 2.34)

The Committee felt that introduction of Speed Post Service was a welcome step. It has the potential to generate more revenue and at the same time provide quicker service. However, its efficiency needs to be enhanced and to this end an incentive package to the postal staff and an aggressive marketing strategy for expansion and strengthening of Speed Post Service are desirable.

Action Taken by the Department

Speed Post business has increased and the revenues accruing to the Department from Speed Post have gone up from Rs. 32 crores in 1992-93 to Rs. 50 crores in 1993-94. Similarly, the number of articles booked have gone up from 73 lacs in 1992-93 to over 1.09 crores in 1993-94. This has been due to the credibility of the service and also because of our advertising compaign. Many advertisements have been brought out in newspapers and periodicals and we have also gone in for aggressive marketing like direct mailing from the Directorate at

a senior level. The then Member concerned sent mailers to Heads of Public Sector Undertakings and this has been followed up by Marketing Divisions in various Circles. Similarly, mailers has been sent at the level of D.D.C. to Heads of private sector organisations and follow up action has been taken up by the concerned Circles. Customers' Meets have been organised by Circles and a target of setting up properly equipped modern business centres in 48 out of the 63 Speed Post Centres is aimed at for the year 1994-95.

Incentive package to the staff shall be considered, after the Costing Committee on Speed Post set up under the Costing Advisor of the Ministry of Finance submits its report. Meanwhilst, a value added service like Proof of Delivery which is being treated as a Speed Post article at an optional cost of Rs. 10/- has also been introduced from 1st January, 1995.

Recommendation Serial No. 9 (Para 3.2)

Major Head "3225" A-1 (1) (1) (10)

The Committee noticed almost seven fold increase in the hospitality expenses of the Directorate. From the actual expenditure of about Rs. 88,000 incurred in 1992-93 on this account, in BE, 1994-95 it has been increased to Rs. 6,02,000. The Committee are not able to reconcile with the view point advanced by the Department that considering the increase in volume of activity as reflected in the growing size of the network, the increase in hospitality expenses has been within reasonable limits. The Committee feels that utmost care and caution needs to be exercised in spending, in keeping with the economy drive of the Government. Further, the Committee noticed that whereas the actual expenditure incurred on account of "Other Charges" as indicated in A—1 (1) (1) (11) under Major Head "3225" was only about Rs. 26,000 the demand has been increased to a level of Rs. 2,16,31,000 in BE 1994-95. The Committee, therefore, feel that details of the expenditure made under this category may be indicated in Demands wherever there is a sign of any unusual increase.

Action Taken by the Department

It is always the effort to keep hospitality expenditure under control. BE 1994-95 provision of Rs. 6,02,000 was made to meet unforeseen expenditure in connection with visit of foreign delegates and general increase in the level of activities of the department. However, keeping in view the trend of expenditure so far, the provision under this head is being reduced to Rs. 1,00,000 in RE 1994-95.

The head "Other Charges" is a residuary head to accommodate expenditure which cannot be classified under any other standard object of expenditure. In BE 1994-95 provision of Rs. 2,16,31,000 was made assuming more expenditure under this head. However, keeping in view the current trends the provision under this Head in R.E. 1994-95 is being reduced to Rs. 50,000/- only.

Recommendation Serial No. 10 (Para 3.6)

The success so far by the C-DOT particularly with regard to R & D in digital electronic switching system which is more suitable to Indian climatic condition is commendable. The Committee strongly are of the view that C-DOT should rigorously, also take on its R & D activities in other areas of telematics in accordance with its mandate. The Committee feel that the Department should assign more R & D projects to these R & D institutions, so that wide technology gap that India is facing today would be bridged within the shortest possible time. Further, Telecommunication Engineering Centre, may be encouraged to carry out major R & D works, which is not involved at the moment in major R & D efforts in this sector, so that not only R & D in this sector would be further strengthened but also could generate more revenue for the Government through experts.

Action Taken by the Department

In line with the recommendations of Lok Sabha Standing Committee, C-Dot has taken development of Telecommunication equipment and systems in other areas, projects like 10 channel Digital Radio and Single Very High Frequency Radio Systems which is about to be completed. These development activities will further enhance the telecommunications at low and competitive cost especially in the rural areas.

Several new projects as well as study projects have also been initiated. The new projects include development of intelligent Network, 256 Port Terminal Unit, Generic Integrated Services Digital Network, Customer Premises Equipment, Fibre Access System Wireless Local Loop, Very Small Aperture Terminal. To keep abreast of the latest development in Telematics Technology, study projects in the areas of Asynchronous Transfer Mode, Synchronous Transport Module-16, Code Division Multiple Access, Photonic Switching etc. have also been initiated.

Telecommunication Engineering Centre is not directly entrusted with any R & D work. However, in area of R & D in telecom, TEC coordinates activities. They are, at the present moment engaged in identifying gaps in R & D activities with R & D institutions. In this activity, they may also take up some R & D works which are not covered by other Institutions.

Recommendation Serial No. 11 (Para 3.13)

The Committee regret to note that there has been unrealistic planning, with the result that time frame set for execution of works in the Telecom Sector was not adhered to Annexure (IV & V). Further there has been lack of general awareness about lead time required for supply of equipment. Also there have been lack of proper follow-up action to complete the allied activities expeditiously.

Action Taken by the Department

The Department of Telecommunications is making proper realistic planning with suitable time frame for the execution of the works. Proper action is taken for timely supply of the equipment and all efforts are made to complete the allied activities well in time for various projects. In some of the parameters the actual achievements have even exceeded the targets. However there have been some instances of delay in execution of some of the works due to late supply of the equipment from the manufacturers for which proper corrective action is also taken from time to time.

The future planning will be made more realistic and the follow-up action to complete the allied activities will be expedited.

Recommendation Serial No. 12 (Para 3.14)

With regard to expansion of Telecom Network, the Committee strongly recommend that while drawing up plans utmost care should be taken to ensure proper budgetary provision, technical feasibility, timely completion of commercial formalities, acquisition of land and construction of buildings, etc. The Committee feel that to ensure timely completion of projects, all relevant factors such as time required for supply and installation of equipment, for supply and laying of cables, for drawing up proper engineering details should be taken into account at the planning stage. Equally important is the need to have proper coordination with State and Civic authorities, which should be done on the basis of a perspective plan worked out at the initial stage itself. The Committee also recommend that progress of on-going works should be reviewed at regular intervals and timely corrective action is taken.

Action Taken by the Department

As recommended by the Committee while drawing up plans utmost care is always taken to ensure proper budgetary provision, technical feasibility, timely completion of commercial formalities, acquisition of land and construction of buildings, etc. The Department is always taking proper action to ensure timely

completion of the projects. All relevant factors such as the time required for supply and installation of equipment, supply and laying of cables, drawing up proper engineering details are taken into account at the planning stage. Proper coordination with the State and Civic authorities, is being done at the planning stage as well as during the execution of the works.

Close monitoring for supply of equipment is being exercised to ensure the supply of equipment in time, from the suppliers by means of coordination meetings. Periodic review for the progress of various works is done to monitor the Annual Plan targets, and to ensure timely supply of equipments from M/s ITI & other manufacturers for various types of equipment. The monitoring & coordination is being further strengthened at all levels.

As recommended by the Committee the progress of all ongoing works are reviewed at regular intervals and corrective action is taken wherever required.

Recommendation Serial No. 13 (Para No. 3.26)

With participation of the private sector, the Department has been trying to expand the supply of Value Added Services (telematics) such as cellular mobile service, voice and electronic mail, audio and video conferencing, radio paging and videotex etc. Accordingly these services are being given to the private sector on a franchise or licence basis. This is expected to relieve the Department of the financial costs for providing these services and will give it additional revenue from licence fees and additional tariffs. However, the Committee are of strong view that while issuing licences, consideration may be given to Indian private sectors.

Action Taken by the Department

The Department of Telecommunications has thrown open on franchise basis Value Added Services in the country. The proposals have been invited and entertained from registered Indian Companies only for provision of these services under a licence on a non-exclusive basis. These companies can be joint venture companies also. In the case of Cellular Mobile and Radio Paging a tender method is being followed and tenders are invited from registered Indian companies.

Recommendation Serial No. 14 (Para 3.27)

With regard to import of the telecom equipment, the Committee are of the opinion that Department should only import those items of equipment which are either not manufactured indigenously or are needed for operational requirements. Foreign technology should only be considered in those area, where development of indigenous option could be stimulated.

Action Taken by the Department

The import of Telecom equipment are done only in the cases which are either not manufactured indigenously or needed for operational requirements. The import of foreign technology is considered where development of indigenous option could be stimulated.

Recommendation Serial No. 15 (Para 3.28)

The Committee recommend serious attempts be made by the Department to recover huge outstanding telephone bills which is at present Rs. 1283.57 crores. All efforts should be made for early retirement of debt to relieve the Department from heavy interest burden.

Action Taken by the Department

The issue of Bills and recovery thereof is a continuous process and there are well laid procedures for recovery of outstanding telephone bills. These are also being reviewed from time to time.

2. Disconnections are resorted to on non-payment of dues after telephonic reminders and issue of registered notices.

3. For billing disputes/court cases, efforts are made to settle them quickly.

4. In respect of closed connections, recovery of the dues from the defaulters is attempted by deputing Telephone Revenue Inspectors and out door staff, besides instituting legal action wherever feasible. Action is also taken to trace the other telephones of the defaulting subscribers and to disconnect them. Liquidation Board and High Power Committee Meetings at the field level are held to review the position of outstandings and defaulter cases.

5. In order to improve the collection of telecom revenue, a charge has been imposed on delayed payment of bills w.e.f. 1.4.94.

6. An incentive scheme has also been worked out so as to motivate the staff to put in extra efforts for recovery of old outstandings.

7. A revolving (Voluntary) Account System has been working in the Department under which a deposit equal to the amount estimated to cover six months' or one year's liabilities against each telephone is accepted. The telephone bills as and when issued are adjusted out of the deposit. With effect from 1.02.94, an incentive is payable by the Department on deposits made by the subscribers under this scheme, at the interest rate applicable to Savings Bank Deposits held

in State Bank of India. This step is expected to ensure not only early realisation of revenue but also to convenience the subscribers opting for the scheme.

8. Targets are fixed periodically for the field units for liquidation of Telephone Revenue arrears and the Heads of Circles are suitably advised for pursuing the outstanding bills especially with Government Departments. In some cases where there were heavy outstandings against the State Governments, Chief Ministers have also been addressed by the MOS (C) for clearance of the dues.

9. The position regarding outstandings and the procedure relating thereto are reviewed from time to time and the outstandings as on 31.3.94 (Rs. 1283.57 crores) for the bills issued upto 31st December, 1993 had been reduced to Rs. 726.85 crores in March, 1994.

Recommendation Serial No. 16 Para 3.29I)

Further, the Committee feel that the Department should examine commercial/ technological feasibility of introducing wireless telephony to meet the requirements of far flung remote areas in India, as it is supposed to be cost-effective.

Sixth Report of Standing Committee on Communications. Sectt. Para No. 3.29

Action Taken by the Department

The provision of telephone facilities to far flung remote areas can be provided by terrestrial systems or satellite systems :—

(i) Terrestrial Systems :

Department of Telecommunications has set up an objective of providing telephone facilities to all villages during 8th Plan period. Based on techno-economic studies it was found that telephone facilities upto a distance of 5 Kms. can be economically provided by open wire lines. MARR systems or Single Channel VHF systems are economical beyond 5 Kms. This system provides wireless telephony facility to subscribers located upto distance of 30 Kms. from exchange. A very extensive use has been made of these media for providing telephone facilities. These systems have been found very attractive in plains and hilly areas of the country.

(ii) *Satellite Systems :*

Department of Telecommunications has standardized low cost terminals and MCPC/VSAT satellite earth stations to provide telecommunication facilities to cluster of subscribers located in normally inaccessible locations. These systems are found to be cost effective where due to terrain conditions terrestrial systems are not technically feasible. Areas of application of these systems are mountaineous regions of Northern States bordering the Himalayas and remote islands in Andaman & Nicobar and Lakshadweep groups of islands.

In view of the above, Department of Telecommunications has already taken actions as desired by the Standing Committee on Telecommunications.

Recommendation Serial No. 16 (Para 3.29-II)

The system of "Collect Call" all over the country should also be introduced.

Sixth Report of the Standing Committee on Communications.

Secc. Para No. 3.29 IInd Part.

Action Taken by the Department

The collect call facility is already available in the Department as reverse charge trunk calls wherein a person is authorised to book trunk call from any Public Call Office and the charges are borne by the called party instead of the calling party.

The present telecommunication network is not technically capable of supporting collect call facilities on automatic basis. A new generation of equipment both hardware and software shall have to be introduced. TEC has started preparing specifications for the required equipment and has already finalised specification for Trunk Automatic Exchanges. This facility could be taken by customers desirous of availing this feature on introduction of ISDN Services and CCS7 signalling scheme.

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

Recommendation Serial No. 3 (Para No. 2.10)

The Committee recommend that pending the proposal to constitute the proposed Committee, the extra-departmental employees should also be made entitled for the benefit of leave and leave salary as is available to the departmental employees. The Committee also desire for an expeditions action being taken to constiute the Committee to look after the problems of extra-departmental employees since the Fifth Pay Commission has already been constituted.

Action taken by the Department

The terms of reference of ED Committee have since been finalised selection of Chairman is in progress. The staff side can take up the issues relating to grant of leave and leave salary alongwith the similar issues on the formation of the Committee.

CHAPTER IV

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

Recommendation Serial No. 1 (Para 1.4)

To a query on such fluctuations the Department clarified that expenditure under the sub-head "Other Charges" mainly include payments made for foreign publications issued by International Telecommunications Union (ITU), etc. Further, it was informed that there was less expenditure booked during the year 1992—93 because either orders were not placed for these publications or supplies were not received. However, the Committee notice that for publication expenditures, there is already a sub-head i.e. B1 (6). Foreign publication also could have been clubbed under the same sub-head.

Action Taken by the Department

The Head B.1 (6)—"Publications" under Major Head 3275 is meant for procurement of books and periodicals (including ITU and foreign priced publications) for the *use of W.P.C. Wing* of Ministry of Communications

2. On the other hand the Head B.1 (9)—"Other Charges" under Major Head 3275 is meant for payment of charges for ITU priced publications procured for *other Government Departments*. These charges are subsequently reimbursed by the respective departments and credited as minus expenditure under this head. Thus the provision under this head depends upon the quantum of orders received from other Govt. departments and the quantum of publications received from International Telecommunications Union.

Comments of the Committee

(Please see para 1.8 of Chapter I of the Report)

Recommendation Serial No. 7 (Para 2.32)

The Committee recommend that instead of looking at this problem purely in terms of the current level of revenue generation (i.e. Postal cost and postal income) and capital expenditure involved in such upgradation, the local economic criteria

such as the growth/increase in terms of households or shops or business, etc. and assessment of potential for growth of the area be taken into consideration. Therefore, the Committee recommend that a village, where there is a BDO should be provided with a Sub-Post Office because a lot of work is generated at the block level due to various Socio-economic programmes. The Committee recommend that a survey of existing extra departmental Post Office be undertaken to identify the Post Offices where development warrant upgradation.

Action Taken By the Department

Post Offices are upgraded subject to fulfilment of departmental norms and the availability of resources. The opening/upgradation of Post Office is a Plan activity and survey to the purpose to being concrete a by Divisional Superintendents on request from the public.

Comments of the Committee

(Please see para 1.12 of Chapter I of the Report)

Action Taken By the Department

During the first two years of the 8th Five Year Plan period, the actual utilisation of funds allocated for the various plan activities of the Department of Post was only Rs. 61.13 crores and Rs. 67.17 crores respectively as against the allocation of Rs. 77.00 crore and Rs. 77.00 crore for the same period. While fiscal targets have been achieved and even exceeded in respect of some of the schemes, there has been short falls in the case of important schemes like Upgradation of Technology and Materials management. Financial targets have, however, remained unfulfilled in respect of almost all the schemes except construction of post offices and staff quarters. The various reasons identified for this trend of under utilising the funds allocated for the various plan activities include procedural delays in processing the proposals to be implemented, inadequate response of suppliers towards providing the user specific equipments require by the Department, reservation on the part of the employees towards induction of technology, lack of coordination between various Wings of the Department and selection of proposals which are not found to be feasible at the time of implementation. In a nutshell the three main reasons for inadequate implementation of the Department's plan projects have been identified as lack of proper coordination, monitoring and adequate long term planning.

In order to overcome the above problems, a number of corrective measures have been initiated while undertaking the mid term appraisal of the 8th Five Year Plan. One of the most important measures initiated in this regard has been the creation of a Corporate Plan and Technology Division in the Department headed by an officer of the rank of Joint Secretary reporting directly to Secretary (Post) so as to ensure better coordination and monitoring of the Plan Schemes. The duties of this Division include preparation of the Annual Plan of the Department, keeping in view the demands placed on the Postal System to meet the present and emerging communication requirements of the country and monitoring plan implementation to ensure timely completion of all projects thereby fulfilling physical as well as financial targets indicated in the approved plan. The Corporate Plan and Tech. Division is also responsible for forecasting future technology requirements of the Department identifying sources for such technology as well as for procuring them. This linkage between planning and actual implementation has been brought about to ensure greater coordination in implementing the various modernisation programmes.

The Department has also introduced a project approach towards implementing new schemes involving technology to ensure greater coordination and to facilitate timely implementation. In the case of every new project based on technology, a

project coordinator is appointed to oversee all aspects of its implementation and an officer of the level of Joint Secretary has been appointed as Officer on Special duty (Technology) to oversee the implementation of such projects. As a result of these measures, the Department has been able to complete a number of new projects of this nature in the current year.

In recent years the communication Sector has witnessed significant changes as a result of the continuous and rapid technical developments. The Department of Post is required to take note of these developments and keep abreast of them when planning its future growth and development if it has to meet the communication requirements of the nation effectively. Therefore, the need for long term perspective planning has been recognised, and the programmes of modernisation now being implemented are formulated to provide the initial steps for a large and modernised postal system from which a strategic plan for modernisation has been formulated. A copy of the plan is attached.

Strategic Plan for Modernisation

The Mission

The mission of the Post is to provide high quality mail, parcel and related services in India and throughout the world ; to be recognised as an efficient and excellent organisation exceeding the expectations of the customers, employee and the society ; to perform the ask by :

- * Total dedication to understanding and fulfilling customer needs
- * Total devotion to providing efficient and reliable services which the customers consider to be value for money
- * Total commitment to providing challenging and rewarding career for every employee
- * Total recognition of the responsibilities as a part of the social, industrial and commercial life of the country
- * Total enthusiasm to be forward looking and innovative in all areas.

Critical Focus

Communication through the Post provides an important link in the society. National agenda of economic liberalisation requires this social connectivity through the Post to be more efficient and responsive. The Post has to gear itself with one new information technologies to be in the forefront of this national effort.

Strategic Objectives

The Post is redefining its role in the society through a process of modernisation and the goal is to provide efficient and relevant service for the customers ; to help directly the process of national economic resurgence. This mission is to be achieved by :

- * Providing speedy and efficient service across the counter with new technology ;
- * Providing new services to meet specific customer-needs ;
- * Providing a friendly and responsive work environment for greater employee satisfaction and facility for the customer ; and
- * Providing efficient and time-sensitive processing and delivery of mails.

Computerised Counter Service

Counter functions for all postal services along with Savings Bank are being provided through computer based machines :

- * Customers get any service they choose from a single window
- * Service is prompt, responsive and error-free
- * Waiting time is drastically reduced

Postal retail outlets across the counters are being modernised through :

- * Improved ergonomics
- * Clean and friendly environment
- * Responsive service to customers

Anticipating customer needs and providing relevant facilities—

Post shop and Telecom shop in selected important locations.

New Services

The Post is alive to the specific requirements of customer-groups for their respective business and commerce. It is to provide for such requirements that new

value-added services are being offered :

* **Hybrid Mail Service**

Using the Department's VSAT network through satellite channel, Hybrid Mail Service provides reliable and prompt service among the major urban centres for quick message transmission and delivery.

* **Satellite Money Order Service**

Cash transfer through the Money Order Service is speeded up by using the VSAT Network making the service more useful.

* **Corporate Money Order Service**

This provides facility for cash transfer specially suited for the Corporate Sector—higher amount can be transferred quickly through the VSAT network.

* **Premium Savings Account**

Savings Bank subscribers in any VSAT centre availing this service will be able to access their accounts from any other VSAT centres in the country.

Streamlining Mail Processing

Focussed management, guiding supervision and simplified procedures are being adopted for segregating time-sensitive articles of mails from the moment these are received from the customers—the objective is to collect, transport, segregate and deliver these articles within a period of 24-48 hours. This is being achieved through :

- * *Metro Channel* for pin-coded letters among the six metros.
- * *Rajdhani Channel* providing linkage among Delhi and other State Capitals.
- * *Express Parcel Service* conveying parcels among identified important places within a fixed time schedule.
- * *Business Channel* ensuring special attention to business mails for processing and delivery within a fixed time schedule.

Computerised Post Office

Selected important Post Offices in all major towns are being computerised :

→ To provide efficient and speedy counter services

- To eliminate drudgery for the operatives
- To facilitate introduction of new services

These modernised Post Offices will form the primary units for the countrywide network.

Modernisation of Mail Processing Centre

Selected Mail Processing Centres are being modernised with induction of computers. This will help to achieve—

- Greater productivity through faster and more accurate operations
- Error-free performance
- Improved work-environment with effective supervision and monitoring
- Speedy and meaningful response to customer complaints.

This programme of modernising mail processing to be extended to all circles and cover important selected units.

Diversification of Retailing Products

Facility for obtaining postage stamps and postal stationery being augmented by :

- Franchising sale of such products by STD booths.
- Entrusting production to printers in private sector.
- Encouraging larger use of high speed electronic franking machines.

Human Resource Development

Special training programme being organised to help the employees upgrade their skills for operating the state-of-the-art technologies along with :

- * Enlisting technical support of specialised agencies
- * On the job training for all at the counters
- * Promoting inhouse expertise by selective special training.

Upgrading Training Centres

The Regional Training Centres for fresh recruits have been equipped with

computers and counter-machines for :

- * Initiating fresh recruits into the new technologies
- * Refresher course for serving employees to pick up new skills.

Marketing

Postal services and products, specially the new value-added services, are being promoted through planned marketing exercise involving :

- Imaginative advertisements in the print media
- Exposure through television
- Production of hand-out, leaflet, poster, etc., by professional agencies

Each new service being promoted through planned marketing activity aimed at target segments of customers.

Expanding Postal Network

Basic postal facilities for the villages, specially those with Gram Panchayats, are to be provided with active participation of the Panchayats through—

- * Panchayat Dak Seva Yojana

This will encourage employment for the educated unemployed youth in rural areas.

Strengthen Revenue Generation

Speed Post Service to be made more efficient and cost effective through :

- * Induction of technology for higher productivity
- * Computerised tracking and tracing facility for higher service efficiency
- * Speedy and more responsive customer service

Management of Postal Life Insurance to be rationalised with the help of computerisation; the aim will be to achieve :

- * Higher productivity
- * More prompt and responsive customer service
- * Economy of operation

Programme for Office Automation

Supportive management functions like procurement, inventory and supply of stores will be computerised to achieve :

- * More efficient management
- * Cost-affective handling, and
- * More accurate forecasting

Optimise Transport Units

Mail Motor Service will be rationalised to achieve :

- * Cost-effective operations
- * Higher productivity
- * Greater relevance for customer services.

S.C. Sharma,
Director (Bldg. & Plg.)

Government of India
Ministry of Communications
Department of Posts
Dak Bhavan, Sansad Marg,
New Delhi-110 001.

No. 51-9/93-BP.

Dt. 6/4/94

Dear Shri

This office is planning to get information from the Circles so that proper assessment of the budget requirements of the Circles can be made for both ongoing and new projects and purchase of land. This information is required for putting up our case for allotment of funds by the Planning Commission. Unless we can give proper justification for our demands to the Planning Commission, they are not likely to allot funds that is required for our building activities.

2. It has also been noticed that the Circles are not monitoring their expenditure *vis-a-vis* their allotment which results in over expenditure. This type of a situation is unwarranted and gives rise to lots of embarrassment. So the Circles must monitor their expenditure and limit the start of new projects keeping in view the allotment. Member (O) had also desired that funds for the major projects (above Rs. 50 lakhs) should be allotted project-wise and there should be no deviation unless it is permitted by the Directorate.

3. Member (O) had also desired that all the major projects above Rs. 50 lakhs should be monitored closely and effectively. For this Civil Wing should prepare PERT charts and these should be put up to the CPMG periodically for review and take effective action for removal of any problems in completion of these projects in time. Non-completion of projects in time gives rise to various complications including escalation of construction cost.

4. In our letter of even number dated 16th September 1993 we have stated in para 3 (i) that the requirement of funds for financial year should be sent to this office by 30th of April every year separately for ongoing and new projects and purchase of land. This information should now be sent to this office by 30th of September every year giving the requirement for the next financial year. This information should be sent to this office as per the Annexure enclosed and these are to be supplied project-wise for each project.

This information for the year 1994-95 however should be sent to this office by 30th of April 1994.

The Annexures should be separate for projects upto Rs. 50 lakhs and above Rs. 50 lakhs.

Any change in the information submitted by 30th September as above should be conveyed to this office by 30th of April of the current financial year so that proper budget allotment can be made.

If the information is not submitted by 30th of September and made upto date by 30th April, it will not be possible for this office to allot funds to that particular Circle. So all the Circles are requested that this information should be submitted on due date without fail.

With regards,

Yours sincerely,

Sd/-

(S.C. SARMA)

Shri _____.

Chief Postmaster General,

_____ Circle,

_____.

Copy to :

C.E.S., Delhi & Bangalore.

Statement showing on-going projects for 1994-95 and requirement of funds.
Name of the Circle :

1.	2.	3.	4.	5.	6.	7.	8.	9.
S. No.	Name of the Project	Rural/ Urban	Pinth Area	Sanctioned cost as per AA & ES	Date of commencement.	Original Target date for completion.	Revised Target date if any	Amount spent during previous financial year
10.	11.	12.	13.	14.	15.	16.		
Progressive expenditure of previous financial year	Anticipated expenditure during the current financial year	Expenditure upto 31st August of the current financial year	Anticipated Expenditure in the next financial year if the project is likely to continue	Physical progress up to the end of the previous financial year	Reasons for revising the target date as per column 8.	Remarks		

**Government of India
Ministry of Communications
Department of Posts
Dak Bhawan Parliament Street
New Delhi-110001.**

No : 51-50/90-BP.

Dated : 21st May, 1994.

To,

**All Heads of Postal Circles,
Chief Engineers,
S. Es (Civil & Electrical),
E.E.s (Civil & Electricals).**

SUBJECT : Monitoring and Financial Planning of Building projects.

It has been observed that Heads of Circles have not been properly monitoring the physical progress of building projects and co-relating the same with the financial outlay made for such projects in the annual budget. The following procedure will be adopted in future to ensure that this activity is carried out on a sound footing :

- (i) All building projects will be sanctioned by the competent authority on the basis of a self-contained memorandum on the lines of a memorandum for the Standing Finance Committee (proforma attached). No project will be sanctioned, without such a memorandum, on the basis of sketchy notes in the office file.
- (ii) The memorandum prepared for the purpose will also clearly indicate the phasing of expenditure of the project.
- (iii) While making budget projections for the year, the expenditure shown under the phased programme relating to the relevant year will be taken into consideration.
- (iv) Before the project is given go-ahead signal, the total impact of expenditure likely to be incurred both on the on-voing projects and the new projects, should be taken into account, Priority will, however, be given to funding the on-going projects completely before giving go-ahead for the new projects.

- (v) **The total allocation for building projects will be divided on a quarterly basis and a quarterly letter of Credit will be issued to the Executive Engineer concerned. Any increase of the quarterly Letter of Credit will be duly considered in the shape of a similar memorandum as in the case of the original memorandum indicating the reasons for escalation of individual projects leading to increase in the total requirement of funds for the quarter. However, in no case, the originally sanctioned expenditure will be exceeded without a total review of the project indicating excesses on all items duly supported for reasons.**
- (vi) **The quarterly report indicating the physical progress of the works, the progress of expenditure in relation to the originally estimated cost and the originally estimated time-frame should be submitted by all Executive Engineers to the Head of the Circle who will review it and take remedial action, if necessary, in consultation with the Executive Engineers.**

Sd/-

(M. Thomas Varghese)

D.D.G. (PME)

**MEMORANDUM FOR STANDING FINANCE COMMITTEE
O/O CPMGCIRCLE.**

SCHEME :

I. Statement of the Proposal/Scheme

(a) Title of the Proposal/Scheme

II. (a) Description of the Proposal/Scheme

1. Introduction & Objectives

2. Scope and Facilities

(a) Site

(b) Justification of the proposal and alternatives

(c) Description and manner in which the scheme is proposed to be implemented.

(d) Area to be constructed (Schedule of Accommodation)

(e) Target date for completion.

(f) Environmental impact.

III. FINANCIAL IMPLICATION OF THE PROPOSAL/SCHEME

(a) Financial Implications :

(i) Civil	Annexure-I
(ii) Electrical	Annexure-II
(iii) Overheads	Annexure-III
(iv) Miscellaneous	Annexure-IV

Total Cost :

CHAPTER V

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

—NIL—

NEW DELHI ;
7 April, 1995
17 Chaitra, 1917 (Saka)

KUMARI VIJLA VERMA
Chairperson,
Standing Committee on Communications.

MINUTES OF THE TWENTY SEVENTH SITTING OF THE STANDING
COMMITTEE ON COMMUNICATIONS (1994-95)

The Committee sat on Friday, 7 April, 1995 from 15.00 hrs. to 16.45 hrs. in
Committee Room No. 'E', Parliament House Annexe, New Delhi.

PRESENT

Kumari Vimla Verma — *Chairperson*

MEMBERS

Lok Sabha

2. Shri Shravan Kumar Patel
3. Shri N. Dennis
4. Shri B. Devarajan
5. Shri R. Anbarasu
6. Shri Somjibhai Damor
7. Shri Mahesh Kumar Kanodia
8. Shri Lal Krishna Advani
9. Shri Ram Pujan Patel
10. Shri Shivsharan Verma
11. Shri Satyagopal Misra
12. Shri G.M.C. Balayogi

Rajya Sabha

13. Shri Jalaludin Ansari
14. Shri Mohammed Afzal alias Meem Afzal
15. Smt. Anandiben Jethabhai Patel
16. Shri Janeshwar Mishra
17. Smt. Veena Verma

SECRETARIAT

1. Shri G.C. Malhotra — *Joint Secretary*
2. Shri O.P. Ghai — *Deputy Secretary*
3. Shri S.K. Sharma — *Under Secretary*

REPRESENTATIVES OF THE DEPARTMENT OF POST, MINISTRY OF COMMUNICATIONS

1. Shri S.C. Mahalik — Secretary
2. Shri P.K. Bagchi — Member (D)
3. Shri G.S. Rajamani — JS & FA

2. At the outset, the Chairperson welcomed the officials of Department of Post and Secretary, Department of Post introduced his colleagues to the Committee.

3. The Committee sought clarifications on issues relating to the Demands for Grants for 1995-96 as well as on points arising out of the written replies furnished by the Department of Post to the questionnaire on Demands for Grants 1995-96.

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

5. The Chairperson thanked the officials for furnishing valuable information to the Committee and for expressing free and frank views on various points raised by the Members.

6. After the officials of the Department of Post left, the Committee adopted the Report on Action Taken by the Government on the recommendations contained in the Sixth Report of the Committee on Demands for Grants (1994-95) of the Ministry of Communications including (Department of Post) without any modification. Thereafter, the Chairperson was authorised to finalise and present the Report to Parliament.

The Committee then adjourned.

(Vide : Introduction of Report)

Analysis of Action Taken by Government on the Sixth Report of Standing Committee on Communication (10th Lok Sabha)

I. Total Number of Recommendations		16
II. Recommendations/Observations which have been accepted by the Government :		
(Sl. Nos. 2, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16)		
	Total	13
	Percentage	81.2%
III. Recommendation/Observation which the Committee do not desire to pursue in view of Government's reply (Sl. No. 3)		
	Total	1
	Percentage	6.3%
IV. Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration. (Sl. Nos. 1, 7)		
	Total	2
	Percentage	12.5%
V. Recommendation/Observation in respect of which replies are of interim nature.		
Nil		