

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:2346
ANSWERED ON:09.08.2010
PROMOTION OF RURAL TELEPHONY
Singh Shri Uday Pratap

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Comptroller and Auditor General of India (C&AG) has recently pulled up the Department of Telecommunications for not utilising funds over Rs. 18,000 crore collected for promoting rural telephony;
- (b) if so, the facts thereof;
- (c) whether the Department of Telecommunications had misrepresented details regarding these unused sums of money;
- (d) if so, the details thereof; and
- (e) the action taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a) & (b) The Comptroller and Auditor General of India (C&AG) in paragraph number 1.7.1.1 of its Report No. PA 1 of 2008 inter-alia observed that:-

(i) As on March, 2007, only Rs. 5081.44 crore, i.e., 33.87 per cent of Universal Service Obligation (USO) Fund had been utilised out of total funds of Rs. 14,998.98 crore collected.

(ii) The amounts collected as Universal Service Levy (USL) from service providers were not credited fully to the USO Fund by the Government.

The Indian Telegraph (Amendment) Act, 2003 provides that the sums of money received towards the USO (USL) shall be credited to the Consolidated Fund of India (CFI) and the Central Government may, if Parliament by appropriation made by law in this behalf so provides, credit such proceeds to the fund from time to time. During the financial years 2002-03 to 2006-07, final allotments amounting to Rs.5081.44 crore, received through Parliamentary approvals in the respective years were transferred to USO Fund in the concerned years and the entire allocation was fully utilised in the respective years.

The Indian Telegraph Act was amended in 2006 to extend the support of activities of USO Fund to new areas such as mobile infrastructure and services, broadband connectivity, general infrastructure and pilot projects and new schemes have been launched accordingly since 2006. With the implementation of new schemes in rural and remote areas after 2006, the outgo from USO Fund shall increase substantially.

(c) to (e) Do not arise in view of (a) & (b) above.