

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

UNSTARRED QUESTION NO:2027

ANSWERED ON:05.12.2012

UNIVERSAL SERVICE OBLIGATION FUND

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

(a) the aim and objective of Universal Service Obligation Fund (USOF) and the funds collected from and disbursed to telecom operators by the Government and the works undertaken by each of the operators during the last three years and the current year, year-wise and company-wise;

(b) whether some telecom companies are not fulfilling their obligation under USOF despite receiving the grant;

(c) if so, the details thereof and the action taken by the Government against the erring operators during the last three years and the current year, operator-wise;

(d) the details of funds remained unspent under USOF during the last three years and the current year till date, State-wise and the manner in which the balance funds is being utilized by each of the States;

(e) whether some States including Jharkhand has sought permission for utilization of balance/unspent USOF; and

(f) if so, the details thereof and the reaction of the Union Government thereto; State-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

(a) The Universal Service Obligation Fund (USOF) has been established with the fundamental objective of providing access to various telecom services [basic, mobile, broadband, Optical Fibre Cable (OFC) infrastructure etc.] to people in the rural and remote areas at affordable and reasonable prices.

The details of funds collected from and disbursed to telecom operators by the Government during last three years and the current year are given in Annexure-I and Annexure-II.

The details of works undertaken by USOF during last three years are given in Annexure-III.

(b) & (c) No, Madam. However, there have been delays in implementation of USOF schemes by the companies. Financial penalties have been imposed on these companies for such delays as per the provisions of the agreement(s) signed with concerned company. Apart from above, M/s Reliance Communications Limited and M/s Reliance Telecom Limited switched off their mobile Base Transceiver Stations (BTSs) at 1191 and 228 USOF supported sites respectively causing suspension/interruption of mobile services in concerned areas during November, 2010 to February, 2011.

A financial penalty of Rs.4,63,22,000 has been imposed and recovered from M/s Reliance Communications Limited and Rs.1,07,67,500 from M/s Reliance Telecom Limited for the period of interruption in mobile services caused due to shutting down of services by these companies. This is in accordance to provisions of the agreement signed by USOF with these companies. Year-wise detail of financial penalties (Liquidated Damages) imposed & recovered by USOF for the delay in rollout of USOF schemes are given in Annexure-IV.

(d)

(i) Funds collected under USOF is utilized by Central Government and not by the State Governments. The funds collected under Universal Service Obligation Fund (USOF) from the telecom companies are being utilized by Central Government in implementation of various schemes for provision of telecom services in rural & remote areas of country.

(ii) A total fund of Rs.47,035.33 Crore has been collected under USOF till 31.10.2012. A subsidy of Rs.15,489.53 Crore has been disbursed through USOF till 31.10.2012 and a payment of Rs.6,948.64 Crore has been made to BSNL towards reimbursement of LF and Spectrum Charges. Thus, a total of Rs.22,438.17 Crore of USOF has been utilized till 31.10.2012 and available balance is Rs.24,597.16 Crore.

(iii) National Optical Fibre Network (NOFN) for providing broadband connectivity to 2.5 lakh Gram Panchayats will be funded by USOF with an estimated cost of Rs.20,000 Crore in two years. Remaining amount will be utilized for implementation of other ongoing

& upcoming schemes of USOF.

(e) No, Madam.

(f) Does not arise in view of (e) above.