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**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2011-12)**

FIFTEENTH LOK SABHA

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

**DEMANDS FOR GRANTS
(2012-13)**

THIRTY-FIRST REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 2012/Vaisakha, 1934 (Saka)

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(2012-13)

Presented to Lok Sabha on 2 May, 2012

Laid in Rajya Sabha on 2 May, 2012



LOK SABHA SECRETARIAT

NEW DELHI

May, 2012/Vaisakha, 1934 (Saka)

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COMPOSITION OF STANDING COMMITTEE ON INFORMATION TECHNOLOGY

(2011-12)

Shri Rao Inderjit Singh - Chairman

Members

Lok Sabha

2. Shri Rajendra Agrawal
3. Smt. Sarika D.S. Baghel
4. Shri Nikhil Kumar Choudhary
5. Shri H.D. Devegowda
6. Dr. Charles Dias
- * 7. Shri A. Ganeshamurthi
8. Shri Rajen Gohain
9. Smt. Darshana Jardosh
10. Dr. Tarun Mandal
11. Shri P.R. Natarajan
12. Shri Tapas Paul
13. Shri Tathagata Satpathy
14. Shri Rajiv Ranjan Singh alias Lalan Singh
15. Smt. Seema Upadhyay
16. Vacant
17. Vacant
18. Vacant
19. Vacant
20. Vacant
21. Vacant

Rajya Sabha

22. Shri M.P. Achuthan
23. Shri Mohammed Adeeb
24. Shri Salim Ansari
- ** 25. Vacant
26. Shri Rajkumar Dhoot
27. Shri Prabhat Jha
28. Prof. Alka Balram Kshatriya
- § 29. Vacant
30. Shri P. Rajeeve
31. Shri Jesudasu Seelam

SECRETARIAT

1. Shri T.K. Mukherjee - Joint Secretary
2. Smt. Sudesh Luthra - Director

* Nominated to the Committee w.e.f. 29th November, 2011.

** Consequent on retirement of Shri Rajeev Chandrasekhar w.e.f. 2nd April, 2012.

§ Consequent on retirement of Shri Ravi Shankar Prasad w.e.f. 2nd April, 2012.

INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2011-12) having been authorized by the Committee to submit the Report on their behalf, present this Thirty-first Report on Demands for Grants (2012-13) of the Ministry of Communications and Information Technology (Department of Telecommunications).

2. The Standing Committee on Information Technology (2011-12) was constituted on 31st August, 2011. 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 Demands for Grants of the concerned Ministry/Department and to make a Report on the same to the House.

3. The Committee considered the Demands for Grants pertaining to the Ministry of Communications and Information Technology (Department of Telecommunications) for the year 2012-13 which were laid on the Table of the House on 30th March, 2012. The Committee took oral evidence of the representatives of the Department of Telecommunications on 11th April, 2012.

4. The Report was considered and adopted by the Committee at their sitting held on 20th April, 2012.

5. The Committee wish to express their thanks to the officers of the Department of Telecommunications for appearing before the Committee and furnishing the information, that the Committee desired in connection with the examination of the Demands for Grants.

6. For facility of reference and convenience Recommendations/Observations of the Committee have been printed in bold letters in Part-II of the Report.

New Delhi
27 April, 2012
07 Vaisakha, 1934 (Saka)

RAO INDERJIT SINGH
Chairman
Standing Committee on
Information Technology

ABBREVIATIONS

ARPU	-	Average Revenue Per User
CBI	-	Central Bureau of Investigation
CCA	-	Controller of Certifying Authority
C-DAC	-	Centre for Development of Advanced Computing
C-DoT	-	Centre for Development of Telematics
CERT-In	-	Indian Computer Emergency Response Team
CSC	-	Common Service Centres
DOEACC	-	Department of Electronics Accreditation of Computer Courses
DTC	-	Direct Tax Code
EFC	-	Empowered Finance Committee
EHTP	-	Electronics Hardware Technology parks
FTP	-	Foreign Trade Policy
GBS	-	Gross Budgetary Support
IaaS	-	Infrastructure as a Service
IEBR	-	Internal and Extra Budgetary Resource
ICTE	-	Information and Communication Technology
ICTE	-	Information, Communication Technology and Electronics
ITeS	-	Information Technology enabled Services
JnNURM	-	Jawaharlal Nehru National urban Renewal Mission
MMPs	-	Mission Mode Projects
NCRB	-	National Crime Records Bureau
NeGD	-	National e-Governance Division
NeGP	-	National e-Governance Plan
NIC	-	National Informatics Centre
NKN	-	National Knowledge Network
PaaS	-	Platform as a Service
PoPs	-	Point of Presence
PSUs	-	Public Sector Undertakings
SaaS	-	Software as a Service
SCA	-	Service Centre Agency
SDC	-	State Data Centre
SIPS	-	Special Inventive Package Scheme
SMEs	-	Small and Medium Enterprise
STQC	-	Standardisation, Testing and Quality Certification
STPI	-	Software Technology Park of India
SWAN	-	State Wide Area Network
TRAI	-	Telecom Regulatory Authority of India
UCs	-	Utilisation Certificates
USL	-	Universal Service Levy
USOF	-	Universal Service Obligation Fund
USSP	-	Universal Service Support Policy
WPC	-	Wireless Planning and Coordination

REPORT

PART I

I. INTRODUCTORY

Telecommunications has been recognized worldwide as a powerful tool for socio-economic development of a nation through empowerment of masses and telecom infrastructure is treated as a crucial enabling factor to realize this objective. Indian Telecom market is one of the fastest growing markets in the world and with 943.49 million telephone connection, as on February, 2012, it has become the second largest network in the world. The Telecom landscape in the country has undergone a dramatic transformation and has witnessed important changes with the various telecom reforms particularly with the announcement of National Telecom Policy, 1994 that liberalized the telecom sector. This was followed by the National Telecom Policy, 1999 which allowed service providers to migrate from fixed licence fee regime to a revenue sharing regime. On 10th October 2011, the Government is now finalising draft National Telecom Policy, 2011 with an objective to empower the people of India by providing secure, reliable, affordable and high quality converged telecommunication services anytime and anywhere.

2. The Department of Telecommunications (DoT) is responsible for formulation of Telecom Policy of the Country. It also carries out important functions such as international cooperation, wireless spectrum management, Research & Development and grant of licences to operators for providing basic and value added services in various cities and telecom circles as per approved policy of the Government. It is also responsible for looking after the various programmes/schemes carried out by its different wings as well as the various Universal Service Obligation (USO) activities carried out with the help of Universal Service Obligation Fund (USOF). Another important function is to look after the matters relating to its Public Sector Undertakings (PSUs), Autonomous and Regulatory Bodies and is also responsible for the administration of the Indian Telegraph Act, 1885, Indian Wireless Telegraphy Act, 1933 and Telecom Regulatory Authority of India Act, 1997.

3. The Internal and Extra Budgetary Resources (IEBR) of the PSUs i.e. BSNL and MTNL fund the development and expansion of telecommunication activities. The Gross Budgetary Support (GBS) funds the programmes/schemes carried out by Wireless Planning and Coordination (WPC), Wireless Monitoring Organisation (WMO), Telecom Engineering Centre (TEC), Telecom Regulatory Authority of India (TRAI), Telecom Disputes Settlement and Appellate Tribunal (TDSAT), Centre for Development of Telematics (C-DoT), and the five Departmental projects i.e. Setting up of Telecom Testing and Security Certification Centre (TETC), Technology Development and Investment Promotion (TDIP), Optical Fibre Cable based network for Defence Services (DS), etc..

4. The budgetary support is also provided for executing the Universal Service Support Policy (USSP) through the Universal Service Obligation Fund (USOF) for bringing rural telecom connectivity. The resources for meeting the same are generated through a Universal Service Levy (USL) which is 5 per cent of the Adjusted Gross Revenue (AGR) earned by all the telecom operators except pure value added service providers like internet service provider, voice mail etc. As per the information furnished by the Department, up to 2010-11, USOF schemes/activities were part of non-plan expenditure, however, from the year 2011-12 onwards, all expenditure on account of USOF schemes/activities has been made part of Plan expenditure by the Ministry of Finance with the approval of the Finance Minister.

5. The Committee in this Report have *inter-alia* analysed the position of Outlay and the expenditure, particularly, the performance of the Plan schemes which are carried out with the IEBR, GBS and USOF component of the Plan Outlays in the context of examination of Demands for Grants 2012-13. Since the Eleventh Plan has come to an end and the Twelfth Plan has commenced with effect from 1st April, 2012, the Committee in this Report have analysed the performance of the Department of Telecommunications and its PSUs for the Eleventh Plan as a whole as well as the preparation for the Twelfth Plan.

II. IMPLEMENTATION STATUS OF THE RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE CONTAINED IN THEIR TWENTY-FIRST REPORT (FIFTEENTH LOK SABHA) ON DEMANDS FOR GRANTS (2011-12) OF THE DEPARTMENT OF TELECOMMUNICATIONS.

6. The Standing Committee on Information Technology presented the Twenty-first Report on Demands for Grants (2011-12) of the Department of Telecommunications to Lok Sabha/Laid on the Table of Rajya Sabha on 4th August, 2011. The Twenty-ninth Report on action taken by the Government on the Recommendations/ Observations of the Committee contained in the Twenty-first Report was presented to Lok Sabha on 27th March, 2012 and was laid on the Table of Rajya Sabha on the same day. Out of 36 recommendations made by the Committee in the said Report, 20 recommendations were accepted by the Government. Replies to 8 recommendations were found to be interim, to which the Ministry was requested to furnish the final action taken replies in the Twenty-ninth Report. Replies to 8 recommendations were not accepted by the Committee which were reiterated in the Twenty-ninth Report.

III. Broad analysis of the Plan Outlays IEBR + GBS during the Eleventh Plan

7. The Proposed Outlay, Budget Estimates, Revised Estimates and Actuals during each year of the Eleventh Five Year Plan both for Internal and Extra Budgetary Resources (IEBR) and Gross Budgetary Support (GBS) are as follows:-

	(₹. in crore)					
Proposed Outlay/BE/RE/Actuals	2007-08	2008-09	2009-10	2010-11	2011-12	2012--13
Proposed	26549.42	21971.35	17334.80	18188.05	19483.34	17199.33
Budget Estimates	25561.97	21434.60	16216.02	18135.10	19881.09	15231.39
Revised Estimates	16039.30	19950.24	15828.00	11860.84	11878.07	
Actuals	8414.04	12464.08	14290.64	9885.70	4949.22 (upto Feb , 2012)	
Percentage of Utilization w.r.t. Revised Estimates	52.46%	62.48%	90.29%	83.35%	41.67%	

8. The data furnished by the Department indicates huge variations between BE, RE and actuals during each year of the Eleventh Plan. The allocations made at Budget Estimates stage have considerably been reduced at Revised Estimates stage particularly during the year 2010-11 and 2011-12. The percentage of utilization during the years

2007-08 and 2008-09 have been 52.46 per cent and 62.48 per cent respectively. The year 2009-10 has shown some improvement whereby the percentage is stated to be 90.29 per cent. During the year 2010-11 again, the percentage utilization is 83.35 per cent and during the year 2011-12, percentage utilization is very poor i.e. 41.67 per cent.

9. When asked about the reasons for the mismatch between the proposed outlays to allocations made at BE stage and RE stage during each year of the Eleventh Five Year Plan alongwith the reasons for non utilization of Outlays for every single year of the Plan, the Department in the written note has stated that the reduction in Plan Outlay (IEBR) of PSUs at RE stage is a result of reframing of strategies and realistic assessment of the targets to be completed during the rest of the year. The Department has further submitted that the PSUs make all out efforts for effective utilization of outlays by ensuring effective and timely planning and estimation of requirements and formulation/ floating of tenders and thereafter the completion of tendering process, rigorous monitoring of project execution by regular periodic review meetings. However, the shortfall in effective utilization of outlay is generally due to unforeseen and unavoidable situations whereby the tendering process gets delayed/ stalled and consequently affects the execution of project.

(i) Analysis of the utilisation status separately for IEBR component

10. With regard to IEBR component during the Eleventh Plan, ₹ 94664.78 crore were allocated at BE stage against the same amount of projections. The expenditure made is just ₹ 46821.97 crore which is less than 50 percent of the BE allocations.

11. The percentage of IEBR utilization of the PSUs as given by the Department is as below:

Unit	BE	RE	Exp. Up to Feb.12	%-age utilisation w.r.t. RE
BSNL	15277.63	9095.34	3062.73	33.67%
MTNL	1145.46	792.25	126.52	15.97%
C-DOT (Internal Resource)	40.00	40.00	44.02	110.05%
Total	16463.09	9927.59	3233.27	32.57%

12. If the utilization position of IEBR component is taken separately, BSNL and MTNL have performed in a worse manner. Percentage utilization with regard to RE during the years 2011-12 has been reported as 33.67 percent for BSNL and only 15.97 percent for MTNL. The main reasons for low utilization under IEBR by BSNL have been stated to be delay in completion of the procurement process in various projects and delay in completion of various ongoing projects. With regard to MTNL, the fiercely competitive market as well as mid-term corrections depending upon the market needs and changing scenario have been stated to be as reasons for under-spending.

13. The main reasons for low utilization of the projected IEBR by BSNL as submitted by the Department Delay are completion of the procurement processes in various projects and delay in completion of various ongoing projects due to which the funds earmarked against such projects could not be utilized.

14. The reasons for low utilization in respect of MTNL during the Eleventh Plan period as stated by the Department are as under:-

“MTNL is operating only in Delhi and Mumbai which are the most fiercely competitive markets characterized by high saturation and low APRU and having more than 150% tele-density. In view of the rapid developments / changing scenario in the fiercely competitive telecom sector it is very difficult to forecast the exact requirements well in advance. Therefore, the plans are very dynamic in nature and require not only continuous review but midterm corrections depending upon the market needs, future demand and changing scenario.”

15. With regard to the initiatives taken by the Department to ensure utilization of the earmarked outlay, the Department has submitted as under:-

“Changes in the procurement policy related to pricing formula, vendor tie-up, block of three years for procurement etc have been contemplated in order to curb delay in the procurement of equipment. Strict and tight schedule is being resorted to for timely availability of equipment.

BSNL is periodically monitoring the implementation of all major projects. The feedback is being taken on periodic basis so that timely intervention for keeping the implementation process on track can be taken.

BSNL is constantly monitoring the monthly achievements against the yearly targets. Monthly reports are being received from each BSNL Circles. Corrective steps are taken like making timely availability of funds and other resources to the BSNL Circles to ensure effective utilization of allocations.

Currently, MTNL is passing through severe cash flow problem and is borrowing money to meet its day to day requirements. Therefore, it becomes important for MTNL not only to continuously review its spending but also ensure that funds are utilized judiciously. Having enough spare capacity available and also keeping in view fierce competitive markets MTNL resorts to dynamic planning and mid-term corrections depending upon market needs to ensure effective utilization.”

(ii) The analysis of the allocations made and expenditure met under GBS component during the Eleventh Plan

16. The details with regard to allocations made at BE, RE stage under GBS component during each year of the Eleventh Plan and the allocations made for 2012-13 at BE stage are as under:-

(₹ in crore)				
Year	BE	RE	Actuals	%age utilization w.r.to RE
2007-08	340.00	250.00	220.19	88.07%
2008-09	375.00	725.00	687.00	94.76%
2009-10	431.00	431.00	387.35	89.87%
2010-11	2000	397.26	171.22	43.10%
2011-12	3418.00	1950.48	1715.95 (Feb. 2012)	87.97%
Total Eleventh Plan	6564.00	3753.74	3181.71	84.76%
2012-13	4800	-	-	

17. The analysis of the aforesaid data indicates that out of ₹ 6564 crore allocated at BE stage, the expenditure during the Eleventh Plan has been reported as ₹ 3181.71 crore which is 48.47 percent of the total allocations. With regard to reasons for such a high amount of allocations remaining unutilized, the problems with the major schemes i.e. Defence Services Network, Andaman and Nicobar project have been cited.

18. Besides, non utilization and consequent surrender of allotted amount in case of C-DoT due to the delay in approval of the CMS project by the CCS has been cited as the reason for low level of expenditure

19. The details about the revenue receipts of the Department during each year of the Eleventh Plan.

(₹ in crore)					
Items	2007-08	2008-09	2009-10	2010-11	2011-12 (Feb, 2012)
License fee	21354.69* (12499.43)	9510.83	9778.52	10286.44	8452.83
Spectrum charges	3055.72	3455.27	3809.54	109697.96**	5148.06
Dividend	1150.25	1268.94	72.18	4.32	19.21
Pension contribution	532.71	1088.19	1440.95	2263.92	1228.57
Total	26093.37	15323.23	15101.19	122252.64	14848.67

*includes onetime Entry Fee as indicated in the bracket.

**includes 3G & BWA Auction Revenues ₹ 106264.76 crore.

20. If the one time entry fee under the head Licence Fee during the year 2007-08 is deducted, the revenue receipts comes to ₹ 13593.94 crore. Similarly, during the year 2010-11 if 3G and BWA auction revenues to the amount of ₹ 106264.73 crore are deducted, the total revenue receipts during the year 2010-11 comes to ₹ 15987.88 crore. The analysis of the total revenue receipts, if one time revenue are deducted, indicates that there is marginal increase in the revenue receipts over the year.

21. Further, during the Eleventh Plan, ₹ 25.25 crore for Institutional Capacity Building Project and ₹ 26 crore for Purchase of Land & Building of TRAI Office were allocated to TRAI against the projections of ₹ 15 crore and 31 crore under the aforesaid activities of TRAI respectively. Total expenditure made under Institutional Capacity Building Project was ₹ 20.63 crore upto December, 2011. The amount allocated for Purchase of Land & Building of TRAI Office could not be utilized. ₹ 12 crore were surrendered and remaining ₹ 14 crore were transferred to Non Lapsable – TRAI General Fund. With regard to issue of non-utilization of outlay for Purchase of Land & Building of TRAI

Office, the Department in the written note has been informed that efforts are continuing with the various land owning agencies for providing suitable land/office premises.

IV. The overall scenario of telecom connectivity in the Country

22. The achievements in terms of improving tele-connectivity *vis-a-vis* the targets during the Eleventh Plan are as under:-

	Targets by 2012	Achievements by 2012
Network Expansion	600	943.49
Rural Telephony	200	324.68

(in million)

23. With regard to the growth in rural and urban teledensity as per the data furnished by the Department the overall teledensity as on February, 2012 has been stated to be as 78.10 per cent. The urban teledensity has reached to the level of 169.37 per cent whereas rural teledensity is 38.53 per cent.

24. With regard to share of fixed and mobile phones, the data furnished by the Department indicates that the share of mobile phone has increased to 97 per cent as on February, 2012 as compared to 96% as on March, 2011. With regard to fixed lines, the share has decreased from 4 per cent to 3 percent during the aforesaid period.

V. Overall Scenario with regard to broadband expansion in the country

25. As per the information provided by the Department, there are 13.54 million broadband connections in the country by February, 2012 as against the target of 20 million broadband subscribers by 2010 as set by the Broadband Policy, 2004 i.e. the broadband penetration is just 1.44 per cent when compared with the teledensity of 78.10 per cent.

26. With regard to the achievement during the Eleventh Plan *vis-à-vis* targets, the Committee during the course of deliberations have been informed that the achievement

as on February, 2012 is to tune of 13.54 million connections against the target of 20 million by 2010. When asked about the reasons for the poor broadband penetration in the country, the Committee have been informed as under:

“The various reasons affecting the growth of Broadband are non availability of backhaul connectivity up to the villages, non availability of content in vernacular languages, low English literacy, affordability of customer premises equipment (CPE), Right of Way (ROW), International bandwidth prices, affordability of broadband, low level of digital literacy etc.”

27. When enquired about the initiatives taken by the Department to overcome the poor broadband penetration, the Department has submitted as under:-

“Following steps have been taken by the Government to increase the broadband penetration:

- a) The Government has approved the scheme for creation of National Optical Fibre Network (NOFN) on 25th October 2011, for providing Broadband connectivity to 2.5 lakh village Panchayats. The objective of this scheme is to extend the existing optical fibre network to Panchayats by utilizing the Universal Services Obligation Fund (USOF).The project is proposed to be completed in 2 years.
- b) Allotment of Spectrum for 3G and BWA services will facilitate proliferation of broadband through mobile handset and wireless technologies.
- c) Permitting Sharing of infrastructure amongst the Service providers.
- d) The Indian Telegraph Rules have been amended, and stream IV has been added under the title “Provision of broadband connectivity to villages in a phased manner” to bring provisioning of broadband connectivity to the rural areas under the purview of the USOF.
- e) USOF schemes for supporting shared infrastructure for mobile services in rural and remote areas are under implementation. These towers will also be used to provide Broadband connectivity in the newly covered Block/Taluka headquarters.
- f) A Rural Wire-line Broadband Scheme has been launched under USOF to increase broadband penetration in rural and remote areas.

Under this scheme BSNL will provide 8, 88,832 wire-line Broadband connections to individual users and Government Institutions over a period of 5-years in this scheme.”

28. The State-wise growth of broadband subscribers between the periods of 31 August, 2009 to 31st August, 2011 has been given at Appendix-I. If the growth trend is analyzed, the data indicates that in Andhra Pradesh, Haryana, Himachal Pradesh, Kerala, North-East and Orissa, the broadband growth has been more than double. In the remaining States, the growth is lesser than the double.

VI. Universal Service Obligation Fund (USOF)

29. The New Telecom Policy, 1999 (NTP) envisaged provision of access to telecom services to all at affordable and reasonable prices. The resources for meeting the Universal Service Obligation (USO) are generated through a Universal Service Levy (USL), which is a percentage of the revenue earned by the operators under various licenses. Keeping in line with National Telecom Policy, 1999, the Universal Service Support Policy came into effect from 1st April, 2002.

30. The data furnished by the Department indicates that from the year 2002-03 to 2011-12 ₹ 40574.16 crore of revenue was earned under USO Fund by levy, out of which the BE allocation under USO Fund is ₹ 13700 crore against the proposed allocation of ₹ 26853.61 crore. The expenditure met out of USO Fund is to the tune of ₹ 15159.4 crore for the said years.

31. With regard to the reasons for non-allocating the outlay as per the revenue generated by levy which is specifically for improving rural teledensity etc. the Department on the recommendation of the Committee took up the issue with the Ministry of Finance. The Ministry of Finance has stated that the resources cannot be locked by lodging them in the public accounts of India as Government is committed to finance various flagship programmes of the Government.

32. The Committee have been informed that Department of Information Technology, Ministry of Communications & IT, in association with Internet Mobile Association of India has conducted a study on the Impact of Internet in India. Report of the study was released on 19th January, 2012. Main findings of the study are (i) the coefficient on internet is both positive and significant and implies that 10 per cent increase in internet subscribers delivers, on an average 1.08 per cent increase in GDP and (ii) in the 10 States which had higher penetration of Internet, the increase in growth was higher at 2.36 per cent, on an average, for 10 per cent increase in Internet penetration. In the year 2009-10, these 10 States, referred to as 'relatively developed States' Internet penetration rate was 2.76 per cent compared to the set of 9 'Developing' States having average Internet penetration rate of only 0.61 per cent.

(i) Performance of Schemes being implemented with USO Fund

33. The details with regard to USOF Schemes which are continued from Eleventh Plan to Twelfth Plan alongwith status of targets and achievements as on 29th February, 2012 as furnished by the Department has been given at Appendix-II.

34. The analysis of the data indicated in the aforesaid appendix reveals that VPTs under Bharat Nirman could not be rolled out by the target date of 28th February, 2012. There are still 239 VPTs to be installed. With regard to VPTs in new identified villages, the target date is 31.08.2012 whereas 9969 VPTs are still to be set up. With regard to shared mobile infrastructure scheme, the target date was 31.08.2011 which is already over and there are 53 towers still to be set up. With regard to optical fibre network augmentation in area of Assam, the target date was 11th August, 2012, however, the progress is not even half. Out of 354 nodes targets, the achievement is 177 nodes so far. With regard to the following three schemes, although the roll out targets have been indicated as 11.08.2012, 15.01.2014 and 15.07.2014, the roll out is yet to be started:-

- (i) Optical Fibre Network Augmentation, Creation and Management of Intra-District SDHQ-DHQ OFC Network in service area of Assam;

- (ii) Optical Fibre Network Augmentation, Creation and Management of Intra-District SDHQ-DHQ OFC Network in service area of NE-I; and
- (iii) Optical Fibre Network Augmentation, Creation and Management of Intra-District SDHQ-DHQ OFC Network in service area of NE-II.”

35. The Department has informed that no scheme for Eleventh Plan has been discontinued.

(ii) Action Plan for 2012-13

36. While enumerating the details of new USOF Schemes the Department has informed as under:-

“A provision of ₹ 8,600 Crore has been made under the Budget Estimate (BE) for the year 2012-13. The major component of BE i.e. ₹ 8,000 Crore has been proposed for the scheme for creation of National Optical Fibre Network (NOFN) for Broadband connectivity to 2.50 lakh Village Panchayats of the Country which has recently been approved by the Cabinet.

The Committee have been informed that the aforesaid Scheme would bridge connectivity gap between Gram Panchayats and blocks. The Bharat Broadband Network Limited (BBNL) has been envisaged as a Central State Joint effort in the Cabinet approval. The government of India would fund the project through the USOF. ₹ 20,000 crore has been approved for the same. State Government are expected to contribute by way of not levying any RoW charges (including reinstatement charges) suitable tripartite MoU is to be signed by GoI, State Government and BBNL.”

37. The Committee have been informed that the bid for the project would be by September, 2012. The award of work for laying of fibre would commence from September, 2012. The project would be completed within two years.

On the issue of Right of Way constraints, the Department has informed as under:-

“Regarding Right of Way (RoW), NOFN has a provision of Tripartite Memorandum of Understanding (MoU) amongst DoT, concerned State and Special Purpose Vehicle (SPV) which will be implementing the scheme.

This MOU among other provisions will also include that “No RoW charges including reinstatement charges will be levied by any State Government, their local bodies, companies or agencies as the information highway proposed to be created through National Optical Fibre Network for broadband connectivity to Panchayats is primarily for the benefit of the local communities, Panchayats and State Governments. This support will be considered as contribution of the State Government towards this project as a larger good for ensuring the time bound implementation of the programme and to avoid any delays in grant of RoW permission.”

The existing facilities covered under USOF Agreements with the USPs are to be maintained and subsidy support is to be provided for the same as per terms and conditions of Agreements. These schemes are; Replacement of MARR VPTs, RCPs, VPTs in uncovered villages as per census 1991 and 2001 (Phase-I & II), Shared Mobile Infrastructure, Rural Wireline Broadband, Pilot Project regarding Solar Mobile Charging Facilities {TERI project of Lighting a Billion Lives (LaBL)} and Scheme for Intra District SDHQ-DHQ OFC Network in the service area of Assam.

Apart from above, the following new schemes are in pipeline for formulation / implementation.

- (i) Satellite Broadband connectivity.
- (ii) Wireless Broadband connectivity.
- (iii) Sub- District OFC connectivity in West Bengal & Sikkim.
- (iv) Pilot Projects to establish the Viability of Powering of Shared Mobile Infrastructure Sites in Rural Areas through Solar/Solar-Wind Hybrid Installations.
- (v) Pilot project for provision of mobile VAS to women’s Self House Groups (SHGs)

It is expected that USOF activities would progress considerably and would bring about a resultant positive impact on rural connectivity, teledensity and socio-economic progress.”

(iii) Telecom Coverage to Naxalite affected areas

38. When enquired about the plans of the Department to provide connectivity in naxalite affected areas, the Department in the written note has stated as under:-

“Ministry of Home Affairs (MHA) has identified and conveyed 2199 locations in 9 States which are affected by Left Wing Extremism (LWE) and do not currently have any coverage by any service provider. The state-wise breakup of locations is as follows:-

S. No.	State	No. of Locations
1.	Andhra Pradesh	227
2.	Bihar	184
3.	Chhattisgarh	497
4.	Jharkhand	782
5.	Maharashtra	60
6.	Madhya Pradesh	22
7.	Odisha	253
8.	Uttar Pradesh	78
9.	West Bengal	96
Total		2,199

These locations have been identified for installing towers and mobile equipment keeping in view the security and maintenance considerations. BSNL has already installed Towers at 363 locations. It has been decided to seek approval of the Cabinet to extend USOF Subsidy Support to Bharat Sanchar Nigam Limited (BSNL) on nomination basis, for providing & managing Mobile Services in Left Wing Extremism (LWE) affected areas. Draft Cabinet Note has been submitted for approval of the competent authority. Mobile services shall be available for general public as well as security personnel around these locations. BSNL would also maintain these mobile sites and network for five years with USOF subsidy. The subsidy amount shall be decided on basis of CAPEX and OPEX net of revenue.”

VII. Installation of alternate OFC network for the three Services

39. With regard to the status of the installation of alternative OFC network for the three services, the Committee have been informed as under:-

“Cabinet has approved a Network for Spectrum Project (NFS) for installation of alternate OFC network for Army, Navy and Air Force in lieu of vacating the spectrum of defence. The Cabinet in its meeting on 3rd December 2009 has given a financial approval of ₹ 9175.16 crore (₹ 1077.16 for Air Force and ₹8098 crore for Army and Navy) for laying of alternate communication network for defence services in a period of 36 months. Accordingly, Air Force Project was to be completed in June 2010

and the whole project for Army and Navy is to be completed by December 2012.

The Air Force network (AFNET) has been dedicated to nation by Air Force on 14.9.2010. As regards the OFC for Army, Navy core network, BSNL had floated the tender on 15.01.2010. While the estimated cost of OFC was ₹ 2,000 crore, the tendered cost came around ₹ 7500 crore. As the tendered cost was very high as compared to the estimated cost, the whole set of schedule of requirement and user level requirement has been referred to the Inter Ministerial Group (IMG) which was constituted on 15.10.2009 with the approval of Telecom Commission (TC) in its meeting dated 28.08.2009. IMG was requested to deliberate on the issue as a whole. The IMG included representatives from Ministry of Defence, Planning Commission, Department of Economic Affairs, WPC, BSNL and DoT. The IMG submitted its report to DoT on 23rd August 2011.

The issue was placed before Telecom Commission on 28.10.2011 for taking a view on BSNL's proposal seeking budget enhancement of ₹ 5503 Crores, over and above the budget of ₹ 8098 Crores approved by Cabinet Committee on Infrastructure for alternate communication network for Defence services for release of spectrum. The Telecom Commission considered the proposal and recommended the budget enhancement of ₹ 5503 crore, over and above the budget of ₹ 8098 crore earlier approved by Cabinet Committee on Infrastructure for alternate communication networks for Defence Services for release of spectrum and time line of 36 months from date of sanction by the competent authority for completion of the project. Telecom Commission desired that the Inter Ministerial Group (IMG) should certify that the specifications and estimates for the proposed Defence Network have been optimized with reference to the scope of work and the requirements of the defence services.

Matter was referred to IMG and the IMG gave the optimization report on 23.01.2012. The proposal will be submitted to the Cabinet Committee on Infrastructure (CCI) for financial approval of ₹ 5236 crore over and above ₹ 8098 crore, already approved by Cabinet Committee on Infrastructure on 03.12.2009 for laying of alternate communication network for Defence Services in a period of 36 months and provision of the same in the budget of DoT. Draft CCI note has been circulated on 24.02.2012 for inter-ministerial consultations.

40. When enquired about the position of spectrum vacated by the Ministry of Defence so far the following details have been furnished by the Department:-

“Release of Spectrum by Defence after signing the MoU is given below:

Frequency Band released	Quantum of Spectrum	Date of release
1721-1726/1816-1821 MHz	5 + 5 MHz (2G)	22-10-2009
1969-1979 MHz	10 MHz (3G)	22-10-2009
1726-1731/1821-1826 MHz	5 + 5 MHz (2G)	31-08-2010
1959-1969 MHz	10 MHz (3G)	31-08-2010"

41. When enquired about the further proposals for vacation of spectrum by the Ministry of Defence, the Committee have been informed that Vacation of 55 + 55 MHz in frequency band 1710-1785 MHz paired with 1805-1880 MHz for 2G services; by the Ministry of Defence is being considered by Empowered Group of Ministers (EGoM).

42. On the issue of delay in providing dedicated network to Army and Navy, the Secretary, during the course of deliberations informed the Committee as under:-

“xxxxx..... This the Cabinet had approved. At that time it was expected that this cost would be around ₹ 2000 crore. In fact in anticipation of the Cabinet approval, the bid process was commenced. After the Cabinet approval, by the time the stage came for issue of execution orders, it was found that the cost was substantially higher than the cost approved by the Cabinet. So, it was then placed before the Telecom Commission. The Telecom Commission was of the view that since the cost is substantially higher - it was ₹ 7,500 crore as against ₹ 2000 crore which was approved by the Cabinet - it was asked as to what were the reasons for this increase. And it turned out that there were certain modifications in the specifications which had taken place and there were several other reasons as well because of which the cost had escalated. Then the matter was referred back to the inter-Ministerial Committee and the question of who has authorised this, and whether the Ministry of Defence has authorised such changes was gone into.....xxxxxxx..... all of this was again placed before an inter-Ministerial Committee of BSNL, DoT, MoD and the Services. Then they came back with a revised set of recommendations. Now the proposal is going back to the Cabinet for a revised approval based on the estimates which have now been cleared by the inter-Ministerial Committee. We hope that any time soon we will get the approval of the Cabinet, and then the execution of the project would begin.

VIII. Laying of Optical Fibre Cable/Better Connectivity in the Border Areas

43. The Committee during their Study visit in February, 2011 to Tawang were informed by the Department that the work of laying OFC (Optical Fibre Cable) in

Arunachal Pradesh with the assistance of army authorities is under way and the work is expected to be completed within one month i.e. by March, 2011.

44. When enquired about the status of laying of optical cable fibre in Arunachal Pradesh post Committee's visit, the Committee have been informed that the Optical Fibre Cable (OFC) laying from Bomdila to Tawang has been completed by Army. The bandwidth swapping has been done with Army between the sections of Tezpur-Bomdila and Bomdila –Tawang. With this arrangement, BSNL has provided 11 Nos. of 2Mbps streams to Army between the section Tezpur-Bomdila (OFC & MW media) and Army has provided one dark fibre between Bomdila-Tawang on which BSNL has commissioned one STM-16 in which 10 Nos. of 2Mbps streams are being used for the mobile traffic of Tawang.

45. The Standing Committee on Information Technology undertook a Study visit to Nathula Pass on 6th July, 2011. With regard to telecom connectivity constraints the observation of the Committee as recorded in the tour notes was as under:-

“The army personnel during the deliberations brought the attention of the Committee to poor telecom connectivity at Nathula. The Committee expressed unhappiness to learn from the jawans that they have to borrow the handsets from the jawans posted in the borders on the other side to remain in touch with their family members. The army personnel requested for setting up of a mobile tower and upgradation of exchange at the army camp. The Committee while deploring the situation emphasized to the representatives of the BSNL present at the site to note down the request of the army personnel and ensure that the task of setting up of mobile tower and upgradation of exchange at the army camp is complete within the stipulated time frame.”

46. When asked about the status of setting up of mobile towers and telephone exchanges at the army camp in Nathula, the representatives of the Department during the course of the deliberations informed the Committee that procurement is being done. The Department has not been able to install towers in Sikkim because for the last four years purchase orders have not been placed.

47. While highlighting the problems with regard to the purchases being made by PSUs, the Secretary, during the course of deliberations, stated as under:-

“Their methods of accountability and their requirements of transparency are completely different from the private sector. If the private sector requires something and it is required tomorrow, they can go and get it, whether it costs ₹ 1 crore, ₹ 10 crore or ₹ 100 crore. That cannot be done in a PSU. There are certain absolute limitations within which a PSU has to work. I do not want to say that it is an insurmountable problem and there is no solution, but there are some up sides also.”

IX. The issues related to connectivity in A&N Island and the project regarding undersea cabling between Mainland and Andaman and Nicobar Island

48. The Committee during the course of deliberations with the representatives of UT Administration, Port Blair/BSNL during their study visit to Port Blair on 23rd January, 2012 had noted that out of 38 inhabited islands only 17 islands have telecom connectivity.

49. The Committee have been informed that the project Undersea Cabling between Mainland and Andaman and Nicobar Island, when implemented, will provide reliable optical fibre connectivity to six Islands namely Port Blair, Little Andaman, Havelock, Car Nicobar, Kamorta and Great Nicobar.

50. The aforesaid project was initially proposed to be funded by the Government of India and executed by M/s. Millennium Telecom Limited joint venture company of BSNL and MTNL. Now, the project is being funded by Planning Commission under UT Plan Budget through Andaman and Nicobar Island Administration wherein ANIIDCO (a PSU of A&N Islands Administration) is an implementing agency. The specific allocation for all project was made during the Eleventh Plan which remained unutilized. When asked why BSNL/MTNL could not be selected as an executing agency in the aforesaid project, the Department in a vague manner has stated that BSNL/MTNL neither have any existing submarine cable in the region nor any plan to lay new cable passing through the region.

51. On the question of transferring the project from Union Department to Andaman & Nicobar Island Administration, the representative of the Department during the course of deliberations apprised the Committee as under:-

“xxxxx..... earlier the plan was to lay an exclusive cable from Kolkata to Singapore and a spur route was to be taken to the Andaman and Nicobar from a branching point in that cable. It was found that the cost was becoming prohibitive because already some operators are having cable on that route. So, perhaps, they decided that it would be a much more economical project if we can tap from the existing cable and take this spur to Andaman. That way, had it been executed as a fresh project by Millennium Telecom Company the cost would have been many times more than the present project which has been approved by them. This is the reason perhaps for which they deviated from the earlier project and went for the new one. It will be a much smaller budget which is now required for executing this current project as compared to the earlier one. That is the decision taken.”

52. When asked about the opinion of the Department of Telecommunications in this regard, the Committee was assured that the information would be furnished.

53. When asked about the status of the project, the Committee have been informed as under:-

“The Project is 100% funded by Planning Commission, under UT Plan Budget, through A&N Administration wherein ANIIDCO (a PSU of A & N Islands Administration) is an implementation agency. The Managing Director, ANIDCO Ltd. will be Chief Executive for implementation of the project. A&N Administration has submitted the proposal of the scheme for the approval of Public Investment Board (PIB) / Expenditure Finance Committee (EFC). The process of Request for Proposal (RFP) / Tendering has already been initiated by ANIDCO.”

X. Undersea Cabling in Lakshadweep

54. The Committee during the course of examination of Demands for Grants of the previous year had noted that there was a proposal for laying of submarine cable of 955 kms. for which the project estimate for connectivity of Ernakulam with various Islands of Lakshadweep including Kavarati was sent to DoT with an estimated cost of ` 435.69 crore. The Committee in Twenty-first Report had emphasized for expeditious decision

in this regard. The Department of Telecommunications in the action taken note in this regard had informed as under:-

“The options of augmentation of backhaul connectivity between Kerala mainland and 10 inhabited Islands of Lakshadweep, i.e. submarine OFC & satellite backhaul, were discussed in detail. After detailed discussion and considering the fact that the population of Lakshadweep Island is about 66,000, it was agreed upon that the telecom demand of this population, even in the next five years, may be met by satellite connectivity.

Further, the difference in Capex between OFC (Rs. 500 crore) and satellite connectivity (Rs. 25 crore) is very huge whereas Opex is almost of the same order. The implementation time of the submarine OFC will also extended over a longer period while satellite network roll out may be done quickly. Accordingly, USOF is working on a scheme for augmentation of satellite connectivity to Lakshadweep Islands.

There is plan to upgrade all the 10 inhabited Islands to 34 Mb IDR but at present, ISRO is having a paucity of satellite bandwidth on INSAT as well as on foreign satellites. The matter has been taken up with ISRO.”

XI. Performance of BSNL and MTNL

(i) The Share of Public and Private Sector in Wireline and Wireless

55. The Share of Public and Private Sector during each year of the Eleventh Plan as per the data furnished by the Department as under:-

(figures in million)

Sl. No.	Item	As on 31st March					As on 31.01.12
		2007	2008	2009	2010	2011	
1	Total telephone connections	205.87	300.49	429.72	621.28	846.33	936.13
i.	Public sector	71.39	79.55	89.54	105.87	126.00	129.59
ii.	Private sector	134.48	220.94	340.18	515.41	720.33	806.54
2	Teledensity (in %)						
i.	Over all	18.22	26.22	36.98	52.74	70.89	77.57
ii.	Rural	5.89	9.46	15.11	24.31	33.83	38.08
iii.	Urban	48.10	66.39	88.84	119.45	156.93	168.44

56. The data furnished by the Department indicates that the growth of private sector during each year is much higher than the growth in the public sector. So far as the

position of total telephone connections with public and private sector is concerned, as on 31 January, 2012 private sector has 806.54 million connections whereas public sector has 129.59 million connections out of the total 936.13 million connections. The growth of public sector is slow which is evident from the fact that during year 2011 private sector has grown from 515.41 million to 720.33 million whereas in case of public sector it grew from 105.87 million to 126.00 million during this period.

57. During the course of deliberations at the sitting of the Committee held on 11th April, 2012, the Department submitted the data with regard to the growth of public and private sector under wireline and wireless telephones during the period March, 2011 to February, 2012, the details of which are as under:--

Sector	Wireline			Wireless		
	March 2011	September 2011	February 2012	March 2011	September 2011	February 2012
Public Sector	82.61%	81.42%	80.76%	11.99%	11.60%	11.36%
Private Sector	17.39%	18.58%	19.24%	88.01%	88.40%	88.64%

58. The analysis of the aforesaid data indicates that under the wireline segment where the public sector had the edge, their share is gradually decreasing and private sector is taking their place. Under the wireless component also the public sector share is gradually declining.

59. There is under utilisation of outlay during each of the years of the Eleventh Plan. The worst is the position during the year 2007-08 and 2011-12 (upto February) whereby 51.47 per cent and 33.67 per cent respectively in case of BSNL and 55.10 and 15.97 per cent respectively in case of MTNL for the allocation. With regard to allocations made at BE stage during the year 2012-13 the allocations for BSNL are ₹ 9504 crore against the allocations of ₹ 15277.63 crore during the previous year. In case of MTNL too, the allocations during 2012-13 i.e. ₹ 887.39 crore are lesser than the allocations of

₹ 1145.46 crore made during the previous year. Another trend noticed is reduction of outlay at RE stage during each of the year excepting the year 2009-10 in case of BSNL.

60. When enquired about the corrective measures being taken by MTNL to ensure utilisation of the earmarked outlay, the Committee have been informed as under:-

“Currently, MTNL is passing through severe cash flow problem and is borrowing money to meet its day to day requirements. Therefore, it becomes important for MTNL not only to continuously review its spending but also ensure that funds are utilized judiciously. Since enough capacity is available the plan size was reduced at RE stage and further expenditure has been made as per the requirement. It is clarified that none of the schemes have been affected due to low expenditure. MTNL generates the required funds through its internal resources / arrangements and does not get any assistance from the Government.”

(ii) Profit and Loss of BSNL

61. The following data with regard to profit and loss of BSNL has been furnished to the Committee:-

(₹ in Crores)	
Year	Profit (+)/Loss (-)
2008-09	575
2009-10	(-)1823
2010-11	(-)6384
2011-12	(-) 7704 (Unaudited)

Expected profit/loss to be earned during 2012-13 is (-) ₹ 6086 Crores.

(iii) Waiting List for BSNL telephones

62. The Circle-wise waiting list for BSNL telephones as furnished to the Committee is given at Appendix-III. Analysing the statement, about waiting list for wireline and WLL, it is seen that with regard to WLL there is no waiting in all the circles excepting Kerala and Maharashtra. However, under wireline, the waiting list is in every circle except for Chhattisgarh, North East-2, Jharkhand, Uttar Pradesh (East and West) and Chennai.

(iv) Impact of Mobile Number portability in BSNL

63. The Circle-wise data with regard to porting out and porting in in respect of BSNL telecom connections as furnished by the Department has been given at **Appendix-IV**. The analysis of the data indicates that in all the Circles excepting Jammu and Kashmir, Odisha, Kerala, Andhra Pradesh and Tamil Nadu including Chennai the porting out is more than porting in.

64. While responding to the issues confronting efficiency of BSNL and MTNL, the Secretary, during the course of deliberations enumerated some of the issues which are given as under:-

“xxxxx..... BSNL and MTNL have a staff cost, which is now approaching 50 per cent. I think, it is somewhere between 45 and 50 per cent today. If you compare it with the private sector, the operating costs of the private sector companies, which are in the mobile business, are far lower. They are a fraction of this. In many cases, they are five to six per cent. So, a company which has 50 per cent cost on staff, compared to private sector companies which have four to five per cent, has a serious problem....xxxxxx..... one and a half years before, BSNL was given 3G and BWA spectrum in all the circles all over the country without any competitive process, without any procedure because of the urgency of the programme’s requirement. The condition that was put at that time was that you take it now and you will pay whatever is the auction price which the private people pay. So, they went ahead on that. When the auction actually took place, frankly, most people believed that the realisation was higher than what was originally expected. The net result was that the Government realised ₹ 1,06,000 crore from that auction and that is perhaps well known to many people, but what sometimes is not noticed is that out of that ₹ 1,06,000 crore, ₹ 28,000 crore was paid by BSNL and MTNL in cash overnight.....xxxxx..... today, there is a very little business case for that ₹ 28,000 crore because it is a big amount of money. A part of their revenues earlier also came from reserves which they had built up over several decades of operation.....xxxxxx..... operational part. I said about procurement and its not being as quick as it should be, but that has now, to some extent, been sorted out and they are about to place orders.”

(v) Partial Surrender of BWA Spectrum

65. The Department in the written note submitted to the Committee has stated that one block of 20 MHz in 2.5-2.69 GHz band was allocated to BSNL on the price determined through auction of Broadband Wireless Access (BWA) Spectrum. After exercising various options for rolling out the services by BSNL now it has been found that exorbitant high rates of BWA spectrum did not justify viable business case for BSNL. Accordingly, BSNL has requested for partial surrender of BWA spectrum amounting to ₹ 6724.5 crore.

(vi) BSNL and National e-Governance Plan (NeGP)

66. The Standing Committee on Information Technology during the course of examination of Demands for Grants (2012-13) of the Department of Electronics and Information Technology have observed that connectivity is the major concern for implementation of various component of e-Governance Programme. The Department of IT in a written note furnished to the Committee has informed that out of 74457 Common Service Centres locations enabled for connectivity (as per the information given by the BSNL), only about 21426 CSCs have availed BSNL connectivity primarily because of delay on the part of BSNL Circle Officers in providing connectivity. The remaining Centres that are connected to the internet are using VSATs, other TSPs and data-cards etc. The IT Department has apprised the Committee that connectivity from BSNL continues to be one of the major challenges for CSCs schemes.

67. With regard to implementation of State Wide Area Network (SWAN) too, non-availability of leased line connectivity has been cited as the reason for delay in implementation of SWAN by DIT.

68. The Committee during the Study visit to Sikkim on 5th July, 2011 had been apprised by the representatives of the State Government of Sikkim that bad and unreliable connectivity, connectivity outages in many of the Points of Presence (PoPs) are some of the constraints being faced in the implementation of e-Governance Projects

in the State. Similarly, the Committee during the Study visit to Port Blair on 23rd January, 2012 have been apprised that the UT Administration has opted out of SWAN Project due to connectivity constraints. The Committee have also been apprised that the bandwidth provided to BSNL is inadequate to handle e-Governance initiatives in the State.

69. The Secretary on the issue of connectivity with regard to e-Governance Programme during the course of deliberations responded as under:-

“xxxx..... There was a big problem of getting connectivity for rural CSCs. Since everybody knew that the auction of spectrum and broadband wireless access spectrum was going to take some time, it was felt that we must have a more rapid method of carrying out the roll out of the rural coverage. So, BSNL was given that spectrum before the auction.”

(vii) The officers on deputation in BSNL

70. The Committee during the course of deliberations raised the issue of absorption of deputationist to BSNL. Responding to the issue, the Secretary during the course of deliberations informed the Committee as under:-

“This is somewhat a complex issue. The DoT actually was originally planning all the telecommunication infrastructure in the country and as I said earlier in 1986, the MTNL was carved out as a corporation. In 2000, BSNL was corporatized by putting both the Departments under the Ministry into the BSNL. At that time, as per the decisions of the Cabinet, the staff who were with these two Departments were transferred to the corporation and they were absorbed. This absorption process was with effect from the reference date of 1.10.2000. That process was over a series of steps, completed in 2005. This process did not cover a small number of officers at that point of time. It was to be taken up later. That process went to the Cabinet on a couple of occasions. There was an attempt to take it to the Cabinet a third time, but after consultation with the various Ministries, it was considered not appropriate to take it up once again with the Cabinet and to let the decision rest where the Cabinet had already decided it on two earlier occasions. However, though the number may be small, these officers constitute the higher management cadres of the BSNL. So, we are trying to work towards a resolution of that issue; over the next few months, we are trying to work out a solution. It will not be perhaps feasible or even desirable to just take an overnight precipitate step. But over a period of time, through a combination of absorption of willing officers and recruitment – both from people who are within the

organization by promotion and by recruitment from outside in the market – these higher slots will have to be filled up, because at the end of the day, people who are manning the higher management positions in the organization will have a huge impact on the functioning and the efficiency of the organization. Keeping all these aspects in mind, we are very closely looking at these issues and in the next few months, further steps are going to be taken.”

XII. Indian Telecom Industry (ITI) Limited

71. The financial targets of ITI during Twelfth Plan as informed to the Committee through a written note are as under:-

(₹ in crore)

Year	Continuing Scheme	New scheme	R&D	TOTAL
2012-13	20.00	962.00	20.00	1002.00
2013-14	25.00	1620.00	30.00	1675.00
2014-15	30.00	860.00	40.00	930.00
2015-16	30.00	130.00	40.00	200.00
2016-17	30.00	80.00	40.00	150.00
TOTAL	135.00	3652.00	170.00	3957.00

72. When asked for the details of the new schemes for which projections of ₹ 3652 crore have been made, the committee have been informed as under:-

“As a part of Revival strategy, ITI has planned Capital Expenditure towards implementation of New Schemes in ITI during 12th Five year plan. Major part of the investment is proposed during initial 2 or 3 years of the 12th Plan. The following are the projects wherein, investment of ` 1620 crores is proposed during 2013-14:

- NPR/MNID
- NGN + LTE
- Semi Conductor FAB
- IT, Cloud Computing, Managed IT Services
- Data Centre
- Software defined Radio Project
- GPON / GEAPON
- ADSL DSLAM / CPEs
- Transmission equipments like DWDM, STMs, Carrier Ethernet etc.
- Defence Projects
- Broadband to Rural Panchayat

- Contract Manufacturing
- Rural Infrastructure Sites
- LED based projects, Solar Panel, SMPS etc.

The projection of ₹ 80 crores towards New Scheme during 2016-17 is an estimate for either upgradation of existing facilities or introduction of New Projects at that instance. As major investments are already proposed during initial period of 2 or 3 years, ITI is not envisaging much of Capital Investments during balance period of Twelfth Plan.”

73. When asked about the reasons for under utilization of Budgetary Support during each year of the Eleventh Plan, the Department has informed that due to paucity of funds, ITI could not generate internal resources to meet the Capital Expenditure and as such budgetary support was requested from the Government. However, a Budgetary support of ₹ 2.01 crore only was sanctioned for the 11th Plan period by the Planning commission. As the Budgetary support was very meagre and interest bearing, ITI did not avail the same and the Capital Expenditure was incurred from own resources to the extent where the investment was mandatory for the execution of the projects for which, orders were available.

74. On the issue of revival plan of ITI, the Committee have been apprised as under:-

“DoT had constituted a Core Group for devising the Revival Plan of ITI Ltd. The Report of the Core Group after approval has been forwarded to BIFR for their further examination. The meeting has been fixed for 18th June, 2012.

A Committee headed by Member (Services), Telecom Commission was constituted on 20.05.2011 to look into the various issues, including the pros and cons of the alternatives, to bring about synergies between various telecom units viz. BSNL, MTNL, TCIL, ITI, C-DoT etc. The Committee examined and analysed the inputs received from these telecom units and other divisions of DoT and submitted its report in the month of October 2011.”

75. The representatives of ITI on the issue of revival of ITI during the course of deliberations stated as under:-

“xxxx..... losses of ITI in the last year have come to an all time low level. We were earlier reporting a loss ranging between ₹ 600-700 crore but last year our losses were to the extent of ₹ 357 crore without grants. Our Ministry has finalised a revival plan also and they have sent a communication to BIFR that they are agreeable to support the revival of ITI. This communication has been sent to BIFR. BIFR in its meeting held in the second week of February, 2012 have asked SBI to carry out the DRS modifications which have been done. Now, the case is coming back to the BIFR after taking the comments of the stake holders in the second week of June. I am sure, the way Ministry has supported, it will definitely be approved by the BIFR in the second week of June. “

76. With regard to Palakkad unit, the representative stated as under:-

“xxxxx.....last year it was in losses but I am very happy to share with the hon. Members that Palakkad has achieved this year an all time high turn over of ₹ 451 crore and have reported profit. Our performance as a member of the consortium on the projects which we are doing jointly with BEL and ECIL has been rated to be satisfactory. Our Palkkad unit has been found to be the most reliable unit by the ISRO. We have drawn a new roadmap for early revival of ITI which has now been examined and fully endorsed by the DoT. DoT is supporting us to get orders for our diversified activities also.”

XIII. Roll Out Obligations

77. The Committee in the Twenty-first Report while deploring that the Department has not maintained data with regard to licensees issued notices for not agreeing to the various obligations as per the License Agreement had desired compilation of various violations by approximately 260 existing UAS licensees.

78. When asked whether the data has actually been collected by the Department, the Committee have been apprised as under:-

“As per available records the data in respect of the established violations of UAS licenses, amount of penalty imposed and penalty deposited from the Department and from TRAI for last two years the details are as follows:

(a) Violations related to compliance of rollout obligations: Demand notices for imposition of liquidated damages (LD) had been issued to 125 licensees due to delay in compliance of first year rollout obligations. Many of them had approached the Hon'ble Telecom Disputes Settlement & Appellate Tribunal (TDSAT) against the calculation of delay in compliance of rollout obligations & imposition of LD. Vide various interim orders, Hon'ble TDSAT directed these Licensees to deposit 60% of the demanded amount, subject to any other or further order. In some cases Hon'ble TDSAT granted stay on the demand notices issued to Licensees for imposition of LD. Department has received ₹ 318.91 Crores out of ₹ 529.00 Crores from the above referred Licensees against LD till 31-3-2012.

In its final judgment Hon'ble TDSAT directed for refund of the amount deposited by the licensees pursuant to interim orders of tribunal with interest at the rate of 12 percent per annum. TDSAT further directed to consider the issue afresh in light of the observations made by tribunal and licensees may be given an opportunity of hearing.

The judgment of tribunal is split in the ratio of 1:1 in respect of the start date (i.e. date of allocation of startup spectrum) for the purpose of calculation of delay in compliance of roll out obligations as per license conditions. Therefore, the revised calculations as per directions of Hon'ble TDSAT for finding out the delay in compliance of rollout obligations cannot be carried out at present. Department has decided to file appeal against the Hon'ble TDSAT judgements.

M/s. Loop Telecom Ltd. and M/s. Sistema Shyam have filed petitions before the TDSAT against the imposition of additional LD. Hon'ble TDSAT has granted stay on the demand notices issued to these Licensees for imposition of additional LD. The matter is sub-judice.

(b) Violations related to renting of subscriber identity module (SIM): demand notices for imposition of penalty of ₹ 50.00 Crores each have been issued to M/s Bharti Airtel Limited, M/s Vodafone & M/s Idea Cellular Limited for violation of terms and condition of Licence agreement for Delhi service area. These Licensees have filed petitions in Hon'ble TDSAT against the demand notices issued to them. Vide interim orders, Hon'ble TDSAT directed these Licensees to deposit 50% of the demanded amount, subject to any other or further order. Each petitioner has deposited 50% of the demanded amount with the department. The matter is subjudice.

(c) Subscriber data base suppression related violations: In case of suppression of subscriber data base by M/s Idea Cellular Limited for Andhra Pradesh service area License, a demand notice imposing ₹ 50 Crores penalty was issued to company for violation of license term and conditions. Company had filed petition against the demand in Hon'ble TDSAT and TDSAT in its judgment dated 21.10.2011 mentioned that for the reasons aforementioned while setting aside impugned order, it is directed that the respondent may pass a fresh order upon issuance of a show cause notice to the petitioner containing the charges levelled against it. In view of the Hon'ble TDSAT Judgment legal advice has been sought. The legal advice is awaited.

(d) Camouflaging of Calling Line identification (CLI) related violation: In case of camouflaging of Calling Line identification (CLI) by M/s Bharti Airtel Limited in Madhya Pradesh service area, demand notice for imposition of ₹ 50 Crore penalty was issued to company for violation of terms & conditions of License agreement. The company has filed petition in Hon'ble TDSAT against the demand notice issued. Vide interim orders, Hon'ble TDSAT directed the Licensee to deposit 25% of the demanded amount, subject to any other or further order. Petitioner has deposited 25% of the demanded amount with department. The matter is subjudice.

(e) Violations related to merger guidelines: ₹ 300 Crores penalty has been imposed on M/s. Idea and M/s. Spice for violation of various license conditions and merger guidelines by holding the overlapping licenses in the 6 service areas. As per the orders of the Hon'ble high Courts M/s. Spice has amalgamated with M/s. Idea. However the department has challenged the amalgamation in the Delhi High Court and matter is subjudice. Against imposition of the above penalty, licensees have filed the petitions in the TDSAT and Hon'ble court stayed the demanded amount. The matter is sub-judice.

(f) Violation of Customer Acquisition Form (CAF): TERM Cells are issuing penalty notices to Access Service Licensees for non compliant CAFs based on the monthly CAF audit. Notices have been issued to all such licensees and it is continuous process.”

(i) Strict Action for default of rollout obligation

79. The Committee in their aforesaid Report had strongly recommended for strict action against the defaulting licensees with regard for not meeting their roll out

obligation in respect of 2G spectrum. Subsequently, the Supreme Court in its judgement has ordered for quashing of 122 licences.

80. On the status of the issue, the Committee have been apprised that the Government has filed an Interlocutory Application (IA) in the Supreme Court on 1st March, 2012 seeking clarifications from the Hon`ble Court in order to implement its order dated 2nd February, 2012, placing on record the proposed auction schedule which may take at least 400 days and indicating that there will be a time gap between cessation of licenses as per Supreme Court order and completion of auction. A review petition has also been filed on 2nd March, 2012 with prayer to reconsider its directions which appear to confine the Government policy to auction as the only method for allocating national resources and drawing its attention to the question of contravention of established principles of segregation of functions between the executive and judiciary especially in respect of formulation of policies. The Review Petition does not challenge the quashing of licences.

81. The Department has further stated that DoT is seeking legal opinion whether any formal communication is to be issued to the Licencees regarding cancellation of the Licences even after the Licences have been quashed as per Supreme Court Judgement dated 2nd February, 2012. No upfront charges are levied for spectrum. However, spectrum usage charges are levied on as a percentage of Adjusted Gross Revenue.

82. When asked whether 2G spectrum vacated by the licensees would again be allocated to the licensees, the Committee have been apprised that in view of Hon`ble Supreme Court judgement dated 02nd February, 2012 i.r.o. Writ Petition (Civil) No. 423 of 2010, Department of Telecommunications has sought the recommendations of TRAI for grant of license and allocation of spectrum in 2G bands in 22 Service Areas by auction, as was done for allocation of spectrum in 3G band.

83. Further when enquired whether it would be on first come first serve basis or through a transparent auction process, the Committee have been apprised that the

Central Government shall consider the recommendations of TRAI and take appropriate decision within the next one month and fresh licences be granted by auction. However, in this regard TRAI recommendations are awaited.

XIV. The period of Roll out obligation in respect of 3G spectrum

84. The Committee in 21st Report had raised another issue related to rollout obligations in case of 3G spectrum services by the licensees. As per UAS License Agreements for 3G services, the rollout period as prescribed is five years while in case of 2G, it is 52 weeks. The Committee have observed that the period of rollout with regard to 3G spectrum which is five years would result in blocking of the scarce resource and as such recommended for reconsidering the period of rollout in case of 3G spectrum.

85. The Department in their Action Taken Note on Twenty-first Report in a vague manner had submitted that:-

“xxxxx.....the rollout obligation in case of 3G being part of Notice Inviting Applications (NIA), it cannot be altered at this stage.”

86. The Committee while reiterating their recommendation in Twenty-ninth Report had made it clear that the recommendation of the Committee relates to the future policy of the Government with regard to the allocation of 3G spectrum. When the issue was pursued further through a questionnaire sent to the Department in connection with the examination of Demands for Grants (2012-13), the Department again submitted that 3G spectrum auction took place in May 2010. Since then no auction of the 3G spectrum had taken place. Therefore there has been no occasion of reconsidering the rollout obligation as per recommendation of the committee.

87. The issue was further pursued during the course of deliberations. Again the Secretary without understanding the intention of the Committee reiterated the

Department's stand. However, when again it was clarified that the issue pertains to future policy, the Secretary submitted as under:-

“xxxxx..... it is always desirable to have a shorter period for the roll out applications. But when we go for the latest technologies like 3G and 4G, then we certainly need to keep in mind the techno-commercial considerations which the operators may have while rolling out those services. So, 2G being the basic service, it was possible to stipulate very short periods for the roll out. It is because the technology is very old and stable. When it comes to 3G and 4G, perhaps the longer time periods were stipulated keeping these aspects in mind. The desirability of having the shorter period and the recommendations of the Committee would certainly be kept in mind as we go forward with the auction process also.

88. When asked about the international practice in this regard, the information was not readily available with the Department.

89. When enquired about the specific recommendation of DoT on roll out period of 3G, the Secretary submitted as under:-

“I will need to go back and check on this.”

XV. National Telecom Policy, 2011

90. The Committee have been informed that the draft National Telecom Policy (NTP) was put up in public domain for wider public consultation on 10.10.2011. The last date for receipt of comments was 9.12.2011. Feedback received on the draft NTP has been analysed and the revised draft was submitted to Telecom Commission. The Telecom Commission, in its meeting held on 7.3.2012 has approved the same with some modifications. The National Telecom Policy is yet to be finalized by the Government.

91. The objectives of the Revised Draft National Telecom Policy as informed by the Department are as under:-

1. Provide secure, affordable and high quality telecommunication services to all citizens.

2. Increase rural teledensity from the current level of around 37 to 70 by the year 2017 and 100 by the year 2020.
3. Provide affordable and reliable broadband-on-demand by the year 2015 and to achieve 175 million broadband connections by the year 2017 and 600 million by the year 2020 at minimum 2 Mbps download speed and making available higher speeds of at least 100 Mbps on demand.
4. Enable citizens to participate in and contribute to e-governance in key sectors like health, education, skill development, employment, governance, banking etc. to ensure equitable and inclusive growth.
5. Provide high speed and high quality broadband access to all village panchayats through a combination of technologies by the year 2014 and progressively to all villages and habitations by 2020.
6. Promote innovation, indigenous R&D and manufacturing to serve domestic and global markets, by increasing skills and competencies.
7. Create a corpus to promote indigenous R&D, IPR creation, entrepreneurship, manufacturing, commercialisation and deployment of state-of-the-art telecom products and services during the 12th five year plan period.
8. Promote the ecosystem for design, Research and Development, IPR creation, testing, standardization and manufacturing i.e. complete value chain for domestic production of telecommunication equipment to meet Indian telecom sector demand to the extent of 60% and 80% with a minimum value addition of 45% and 65% by the year 2017 and 2020 respectively.
9. Provide preference to domestically manufactured telecommunication products, in procurement of those telecommunication products which have security implications for the country and in Government procurement for its own use, consistent with our World Trade Organization (WTO) commitments.
10. Develop and establish standards to meet national requirements, generate IPRs, and participate in international standardization bodies to contribute in formulation of global standards, thereby making India a leading nation in the area of international telecom standardization. This will be supported by establishing appropriate linkages with industry, R&D institutions, academia, telecom service providers and users.
11. Simplify the licensing framework to further extend converged high quality services across the nation including rural and remote areas. This will not cover content regulation.
12. Strive to create One Nation - One License across services and service areas.
13. Achieve One Nation - Full Mobile Number Portability and work towards One Nation - Free Roaming.
14. Reposition the mobile phone from a mere communication device to an instrument of empowerment that combines communication with proof of

- identity, fully secure financial and other transaction capability, multi-lingual services and a whole range of other capabilities that ride on them and transcend the literacy barrier.
15. Encourage development of mobile phones based on open platform standards.
 16. Deliver high quality seamless voice, data, multimedia and broadcasting services on converged networks for enhanced service delivery to provide superior experience to users.
 17. Facilitate consolidation in the converged telecom service sector while ensuring adequate competition.
 18. Optimize delivery of services to consumers irrespective of their devices or locations by Fixed-Mobile Convergence thus making available valuable spectrum for other wireless services.
 19. Promote an ecosystem for participants in VAS industry value chain to make India a global hub for Value Added Services (VAS).
 20. Ensure adequate availability of spectrum and its allocation in a transparent manner through market related processes. Make available additional 300 MHz spectrum for IMT services by the year 2017 and another 200 MHz by 2020.
 21. Promote efficient use of spectrum with provision of regular audit of spectrum usage.
 22. De-licensing additional frequency bands for public use.
 23. Recognize telecom as Infrastructure Sector to realize true potential of ICT for development.
 24. Address the Right of Way (RoW) issues in setting up of telecom infrastructure.
 25. Mandate an ecosystem to ensure setting up of a common platform for interconnection of various networks for providing non-exclusive and non-discriminatory access.
 26. Strengthen the framework to address the environmental and health related concerns pertaining to the telecom sector.
 27. Enhanced and continued adoption of green policy in telecom and incentivise use of renewable energy sources for sustainability.
 28. Protect consumer interest by promoting informed consent, transparency and accountability in quality of service, tariff, usage etc.
 29. Strengthen the grievance redressal mechanisms to provide timely and effective resolution.
 30. Strengthen the institutional framework to enhance the pace of human capital formation and capacity building by assessing and addressing educational and training needs of the sector.
 31. Encourage recognition and creation of synergistic alliance of public sector and other organisations of Department of Telecommunications (DoT). This should be achieved through appropriate policy interventions and support

for optimum utilisation of their resources and strengths in building a robust and secure telecom and information infrastructure.

32. Evolve a policy framework for financing the sector consistent with long term sustainability.
33. Put in place appropriate fiscal and financial incentives required for indigenous manufacturers of telecom products and R&D institutions.
34. Achieve substantial transition to new Internet Protocol (IPv 6) in the country in a phased and time bound manner by 2020 and encourage an ecosystem for provision of a significantly large bouquet of services on IP platform.
35. Strengthen the institutional, legal, and regulatory framework and re-engineer processes to bring in more efficiency, timely decision making and transparency.
36. Put in place a web based, real time e-governance solution to support online submission of applications including processing, issuance of licences and clearances from DoT.

XVI. Import of Telecommunication Equipments

92. The Committee during the course of examination of Demands for Grants of the Department of Electronics and Information Technology have been apprised that telecommunication equipments forms a major share of country's electronic hardware import.

93. The Department in the written note has informed as under:-

"The Government, vide Notification No. 8(78)/2010-IPHW dated 10th February 2012, has laid down the policy for providing preference to domestically manufactured electronic products in procurement of those electronic products (including telecom equipment) which have security implications for the country and in Government procurement for its own use and not with a view to commercial resale or with a view to use in the production of goods for commercial sale. For the implementation of above notification, this department has constituted a Committee under the Chairmanship of Member(T) to recommend telecom product or products having security implications for the country and other actions to be taken by this department for the implementation of various provisions mentioned in the notification.

The import of telecom equipment falling under Chapter 8517 of Indian Trade Classification (ITC) (HS code) which contains data on imports of

telecom equipment including mobile phone, parts of items for past 5 years from China is as under:

S. No.	Year	2006-07	2007-08	2008-09	2009-10	2010-11
1	Import of Items Chapter:8517 from China (values in ₹ Lacs)	1,78,539.85	7,17,475.26	22,57,126.12	24,41,171.87	30,41,588.17
2	Total Import of items Chapter:8517 in the country (Values in ₹ Lacs)	8,80,374.38	17,34,838.74	40,99,043.25	39,55,200.39	50,94,529.30

Source : DGFT.”

94. On a question as to whether any assessment has been made in exploring the possibility of indigenous procurement of SIM cards, the Department has informed that the Department of Telecom has held meeting with telecom service providers.

95. When enquired as to how many telecom equipment in the Country have the Chinese component inserted therein, the Committee have been informed that the information is not maintained by the Department.

XVII. Cases of having SIM Cards issued against false identity

96. The Committee have been informed that as per the latest data compiled on 16th February, 2012, approx. 16.7 lakh cases have been found non-compliant to the norms (including periodic audit, complaints, surprise checks based analysis) till 16th February, 2012 and penalty of approximately ₹ 1800 crores have been imposed on the Telecom Service Providers for violation of norms. In case any forgery in documents is detected, complaints/FIRs are also lodged with the Police.

97. When enquired about the initiatives taken by the Department on the aforesaid issue, the Committee have been apprised as under:-

“While introducing prepaid services in J&K, Assam and North-East Telecom Circles *vide* DoT letter dated 23rd November 2004, all the TSPs were asked

to verify the identity of the applicant after which the non-activated SIM card along with the acknowledgement slip was to be sent to the applicant by registered post or by courier services at the address stated by applicant in his application form. It was to be mentioned in the letter that the services on this number will be activated only on receipt of acknowledgement slip signed by the person who has applied for prepaid telephone connection. The applicant was required to return the acknowledgement slip duly signed to the service provider. On receipt of this acknowledgement slip, the signatures of the applicant were to be verified with the original application form and in case the signature found in order the service was activated and the subscriber was notified suitably.

Based on the feedbacks received from MHA these provisions have been replaced with a new procedure in J&K vide letter dated 20th January, 2010, which envisages sending a reference to the police against each connection while providing the SIM card to the subscriber after verifying the identity of the subscriber. On receiving a negative report from the Police numbers are to be disconnected within 2 Hrs. The guidelines issued *vide* letter dated 20th January, 2010 have been made applicable to Assam and North East also vide letter dated 20th July, 2010.”

98. When enquired whether the Department has any plans to send SIM cards through Posts, the Committee have been apprised that currently, no proposal regarding sending of SIM cards through post is under consideration. However, all the Telecom Service Providers across the country have been directed from time to time to verify the identity of their prospective subscribers before providing SIM cards.

XVIII. e-Waste

99. When enquired whether the Department of Telecommunications developed any mechanism in coordination with the Department of Electronics and Information Technology, as recommended in the Committee’s last report to check the growing menace of e-waste, the Committee have been apprised by the Department as under:-

“Department of Electronics and Information Technology is continuing its efforts to promote R&D to develop technological solutions for electronic waste (e-waste) management (including mobile phones) in environmental friendly manner. A number of R&D projects have been initiated at national institutions in India. Some such projects are:

- a. Development of processing technology for recycling and reuse of electronic waste at NML, Jamshedpur. In this effort the project at National Metallurgical Laboratory, Jamshedpur has reached a stage where on a pilot scale up to 1 Metric Ton of e-waste has been successfully recycled. It is now being attempted to take it to possible commercial application.
- b. Environmentally sound methods for recovery of metals from PCBs is being implemented at Centre for Materials for Electronics Technology (C-MET), Hyderabad, - an R&D laboratory under the Department of Electronics & Information Technology. Major objective of the project is to develop environmentally sound methods for the segregation; treatment and recycling of components from printed circuit board and recovery of metals. The project would address a feasible methodology for the classification of the various components based on their metal contents in printed circuit boards and connectors. Environmentally sound methods for the depopulation, segregation and treatment of components and a recovery method for metals from segregated components and de-populated PCBs will be implemented
- c. Novel recovery and conversion of Plastics from Waste Electrical and Electronic Equipment Directive (WEEE) to value added products is being implemented at CIPET, Bhubaneswar - Autonomous academic institute under Department of Chemical & Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India. E-waste contains nearly 27% of the plastics. Proposed project aims to develop value added products from these waste plastics with a goal to minimize the accumulation of plastics waste in the society. The sub-objectives are Develop an environmentally friendly process to obtain recycled plastics from e-waste (ABS, HIPS, PP, PVC, PC) with improved performance characteristics, Effective utilization of thermoset plastics materials like Epoxy, Phenolic, Polyesters etc. used as Laminates and PCBs, IC Packaging and Development of value added end products viz. automotive interiors, printer housings, camera casings & other commodity items etc from e-plastics waste generated from End of Life (EOL) electrical and electronic products.

DoT has instructed all the indigenous manufacturers vide OM No 18-28/2011-IP dated 25th Jan. 2012 to follow the E-wastage (Management and Handling) Rule 2011 dated 12th May 2011 notified by the Ministry of Environment and Forests.”

100. When enquired whether any pilot projects being set up by the Department of Telecommunications to recycle e-waste generated through old mobile phones, the Department has stated that no such project is being set up. The Department has further added that the notification issued by the Ministry of Environment and Forests which has been circulated by DoT has provisions for placing collection bins at appropriate places for collection of e-waste i.e. mobile phones, batteries, chargers etc and for safely disposing or recycling as per the prevailing standards.

XIX. Illegal telecom operations

101. On the illegal telecom operations, the Department has informed that 540 cases of raids were conducted by Vigilance Branch of DoT and the cases were handed to the Law Enforcement Agency (LEA) on spot for further actions including prosecution of the culprits. The detailed data furnished by the Department with regard to the specific cases indicate that some of the raids were conducted even in the year 2000-02 which means that almost 10 years have passed since the raids have been conducted and cases handed over to LEAs. Against some of the cases of 2005, it has been mentioned that these are under examination of police. Against some of the other cases it has been mentioned that these cases are untraceable by police.

Part-II

Recommendations/Observations

Under Utilization of allocations made under IEBR and GBS Components

The Committee note that for the year 2012-13, the Department have been allocated a Plan Outlay of ₹ 15231.39 crore which comprises of ₹ 10,431.39 crore as Internal and External Budgetary Resources (IEBR) and ₹ 4,800 crore as Gross Budgetary Support (GBS). The Plan allocation is ₹ 4649.70 crore lesser than the outlay allocated at Budget Estimates stage of the previous year. The analysis of the data further reveals that the Plan allocation to the tune of ₹ 19881.09 crore allocated at Budget Estimates stage during the year 2011-12 was reduced to ₹ 11878.07 crore at Revised Estimates stage. The Department could utilize only ₹ 4949.22 crore i.e. 41.67 per cent of the allocations upto February, 2012. If the percentage utilization of IEBR and GBS components during the year 2011-12 is analyzed, the Committee find that under IEBR, BSNL and MTNL have performed badly. Whereas the percentage utilization with regard to RE under IEBR during the year 2011-12 has been stated as 32.57 per cent, BSNL's financial achievement is 33.67 per cent. MTNL has performed in a worst manner whereby the financial achievement is just 15.97 per cent. With regard to GBS performance during the year 2011-12, the percentage utilization has been stated to be 87.98 per cent.

While reviewing the financial achievement of the Department during the Eleventh Plan as a whole which has come to a close on 31st March, 2012, the Committee find under utilization in both IEBR and GBS components. During the five years, the allocations under IEBR and GBS components were made for ₹ 101228.78 crore at BE stage which were reduced to ₹ 75556.45 crore at RE stage and the utilization is ₹ 50003.68 crore which indicates that almost 50 per cent of

the allocations made at BE stage remained unutilized. If the performance under IEBR and GBS components separately is reviewed, the allocations under IEBR component during the Eleventh Plan were made to the tune of ₹ 94664.78 crore at BE stage, the expenditure reported to be ₹ 46821.97 crore which is lesser than 50 per cent of the BE allocations. Under GBS component, total Eleventh Plan allocations at BE stage were ₹ 6564 crore and the utilization was ₹ 3181.71 crore. Another repetitive trend noticed is huge variation between BE, RE and actual during each year of the Eleventh Plan. The allocations made at BE stage have considerably been reduced at RE stage and even the reduced allocations could not be utilized resulting into under-spending during each of the years.

The Committee have consistently been raising the issue of variation of allocations at various Estimate Stages as well as under-spending of the scarce resources. In spite of that the trend is repetitive during each of the years. With regard to the reasons, the Department is repetitively stating fiercely competitive market as well as mid-term corrections depending upon the market needs and changing scenario as reasons for under-spending under IEBR. Another reason subscribed for low utilization under IEBR by BSNL is delay in completion of the procurement process under various projects and delay in completion of the various ongoing projects. With regard to under-spending under GBS component, the problems with the major schemes i.e. Defence Service Network, A&N project have been cited. The aforesaid scenario clearly indicates unrealistic projections made by the Department. Not only that there are serious problems with the Public Sector Undertakings. The projections for the bigger projects are being made unrealistically without analyzing the bottlenecks coming in the way of

implementation and huge resources are being blocked, particularly when the important projects of the Government are starving for funds.

The Committee deplore the way the projections are being made by the Department under both IEBR and GBS components. The Committee strongly recommend that the allocations for the major projects should be projected only when all the preliminary work for implementation has been done, clearances are in place thereby not repeating the situation of blocking scarce resources of the Government. The Committee caution the Department to keep into consideration the aforesaid observations of the Committee while projecting allocations for the projects during the Twelfth Plan.

2. The Committee may further like to highlight that under-spending under the Capital head particularly under the Plan schemes is a matter of great concern. The Plan schemes in the context of the Department of Telecommunications are meant for improvement of telecom infrastructure, which may result into efficiency and quality in the delivery of services to the customers. Under utilization of Plan Outlay under IEBR and GBS as such need to be critically analyzed by the Department as well as the two Public Sector Undertakings followed by the concrete corrective measures. Moreover, the Ministry should devise a mechanism whereby the responsibility for underutilization of resources under IEBR and GBS component is put on both the PSUs, MTNL and BSNL. The Committee exhort the Department to take the desired initiatives and inform the Committee accordingly.

3. The Committee find from the information furnished by the Ministry that Rs. 5 crore were allocated for Purchase of Land & Building of TRAI Office during the year 2007-08 which remained unutilized. Again during the years 2008-09,

2009-10 and 2010-11 Rs. 7 were during each of the year were allocated. The total amount remained unutilized during the first four years of Eleventh Plan. During the year 2011-12 no outlay was allocated for the purpose. The Committee have been informed that out of Rs. 26 crore allocated for Purchase of Land & Building of TRAI Office during the Eleventh Plan, Rs. 12 were surrendered and remaining 14 crore were transferred to Non Lapsable – TRAI General Fund. The Committee find that the problem is being faced with regard to allocating land for the TRAI office. The Department has informed that efforts are continuing with the various land owning agencies for providing a suitable land/office premises. The Committee express unhappiness over the way allocations were consistently being made even without sorting out the issue of availability of land for TRAI office resulting into non-utilization of entire allocations. The Committee strongly emphasize that the issue of allocation of land for TRAI building should be taken up by DoT with the Ministry of Urban Development so as to expedite allotment of land to TRAI office for its Office building. Besides, adequate allocation should be made to TRAI for R&D purposes.

Revenue Receipts of the Department

4. The Committee find that revenue receipts of the year 2007-08 and 2010-11 includes one time entry fee and 3G and BWA auction revenues respectively and as such there is high jump in the revenue receipts. If the one time entry fee under the head Licence Fee during the year 2007-08 is deducted, the revenue receipts comes to ₹ 13593.94 crore. Similarly, during the year 2010-11 if 3G and BWA auction revenues to the amount of ₹ 106264.73 crore are deducted, the total revenue receipts during the year 2010-11 comes to ₹ 15987.88 crore. The analysis of the total revenue receipts during each year of the Eleventh Plan, if one time revenue receipts are deducted, indicates that there is marginal increase in the revenue receipts over the years.

The Committee would like to be apprised of the head/itemwise details of the revenue receipts of the Department during each year of the Eleventh Plan so

as to understand increase/decrease in revenue receipts. Besides the Committee may also like to emphasise that initiatives should be taken so as to increase the revenue receipts of the Department.

The overall scenario of telecom connectivity in the country

5. The Committee appreciate the impressive telecom growth viz.-a-viz. the targets during the Eleventh Plan. With regard to network expansion, the growth of telecom connectivity has been to the tune of 943.49 million against the target of 600 million. In the case of rural telephony also, the targets have been exceeded. The achievement is 324.68 million against the target of 200 million. With regard to the growth in rural and urban teledensity as per the data furnished by the Department, the overall teledensity as on February, 2012 has reached to 78.10 per cent. The urban teledensity has reached to the impressive level of 169.37 per cent whereas the rural teledensity is 38.53 per cent. The Committee appreciate the achievement of the Department with regard to telecom connectivity in the country. However, the Committee still feel that there is lot to be done with regard to improving rural teledensity particularly when there is huge difference between the urban teledensity and rural teledensity. The rural teledensity is less than one-fourth of the urban teledensity. The challenges before the Department are to provide connectivity to the last person of the society, particularly to those living in difficult terrains as well as to sustain the growth in urban areas. The Committee hope that more initiatives would be taken by the Department during Twelfth Plan particularly in case of the rural telephony so that the rural telephony too match the level of growth of the urban telephony. More emphasis need to be given to have optical fibre network for rural areas so as to ensure better connectivity in these areas within the stipulated timeframe.

Broadband expansion in the country

6. The Committee observe that whereas the Department has exceeded the targets of telecom connectivity, the progress with regard to broadband expansion has not been to the desired level as could be seen from the data furnished by the Department. There are 13.54 million broadband connections by February, 2012 against the target of 20 million broadband subscribers by 2010. The broadband penetration is just 1.44 per cent when compared to the impressive teledensity of 78.10 per cent. The major initiative proposed to be taken during the Twelfth Plan to address to the problem of broadband connectivity particularly in the context of rural areas is the National Optical Fibre Network (NOFN) for providing broadband connectivity to 2.50 lakh village Panchayats. The Committee feel that with the implementation of the aforesaid project, the constraint of non-availability of backhaul connectivity up to the villages would be addressed. The other constraints enumerated by the Department are non-availability of content in vernacular languages, low English literacy, affordability of customer premises equipment (CPE), Right of Way (RoW), International bandwidth prices, affordability of broadband, low level of digital literacy etc. To address the various issues the Department need to act in coordination with respective Union Departments as well as the State Governments. The coordination with the State Governments is utmost necessary to address the issue of Right of Way (RoW). With regard to the constraint of content in vernacular languages, the Department should take up the matter with the sister Department i.e. Department of Information Technology and the research organizations like C-DAC and C-DoT. On the issue of low English literacy, low level of digital literacy certain schemes

are being implemented by the various Departments including the Department of Information Technology. There is an urgent need to look into the matter on affordability of computers as well as on affordability on broadband. The initiatives need to be taken with the private sector service providers as well as with the private industry as a whole. More emphasis need to be given to R&D so as to make the computer equipments and maintenance of computers cheaper. The Committee would like the Department to take up the various issues with the respective Ministries/State Governments/Industry as an integrated approach need to be taken to address the various issues. The Committee exhort the Department to take the desired initiatives during the Twelfth Plan so as to address the constraints so that the broadband connectivity scenario in the country improves and the growth matches to the impressive telecom growth in urban areas of the country.

Universal service obligation fund (USOF) - The issue of allocations lesser than the revenue earned

7. The resources for meeting the Universal Service Obligation (USO) are generated through a Universal Service Levy (USL), which is a percentage of the revenue earned by the operators under various licenses. Keeping in line with National Telecom Policy, 1999, the Universal Service Support Policy came into effect from 1st April, 2002. The Committee have consistently been raising the issue of allocating resources under USO Fund which has to be commensurate to the level of revenue generated through USL (Universal Service Levy). The data furnished by the Department indicates that from the year 2002-03 to 2011-12 ₹ 40574.16 crore of revenue was earned under USO Fund by levy, out of which the BE allocation under USO Fund is ₹ 13700 crore against the proposed allocation of

₹ 26853.61 crore. The expenditure met out of USO Fund is to the tune of ₹ 15159.4 crore for the said year.

The Committee find that the Department on the recommendation of the Committee took up the aforesaid issue with the Ministry of Finance. The Committee are not inclined to accept the response of the Ministry of Finance in this regard whereby it has been stated that resources cannot be blocked as Government is committed to finance various flagship programmes of the Government.

The Committee emphasize that Universal Service Obligation (USO) Fund is being generated through a Universal Service Levy to meet the social obligation related to telecom sector as per the Telecom Policy, 1999. There is no reason to justify the allocations that do not commensurate with the revenue generated through Universal Service Levy (USL). The Committee may further like to highlight the findings of the study undertaken by the Department in association with the Internet Mobile Association of India whereby it has been stated that 10 per cent increase in internet subscribers delivers on an average of 1.08 per cent increase in GDP. Keeping in view the status of broadband connectivity whereby broadband penetration is just 1.44 per cent when compared to the teledensity of 78.10 percent in the country, the Committee emphasize that much more needs to be done to improve the growth of broadband connectivity particularly when the growth in broadband connectivity can help the country achieve high level of GDP. Moreover providing allocations commensurating to revenue generated through USL are justified as the allocations being made are being fully utilized. The Committee as such exhort the Government to provide allocations for USO activities of the Department commensurating the Universal Service Obligation

(USO) Fund generated through USL. The concerns of the Committee in this regard should again be duly communicated to the Ministry of Finance.

Performance of schemes being implemented with USO Fund

8. The Committee have consistently been raising concern over shifting of deadlines with regard to various schemes being implemented with USO Fund. While reviewing the position of USO schemes during the Eleventh Plan, the Committee note that there are further slippages under various schemes. VPTs under Bharat Nirman could not be rolled out by the target date of 28.02.2012. There are still 239 VPTs to be installed. With regard to VPTs in new identified villages, 9969 VPTs are still to be set up where as the target date is 31.08.2012. The Committee have their doubts about achieving the targets with regard to new identified VPTs by the stipulated deadline. Under the shared mobile infrastructure scheme, target date was 31.08.2011 which is already over and there are 53 towers still be to set up. In connection with the optical fibre network augmentation in area of Assam, the target date was 11.08.2012, however, the progress is not even half. The Committee exhort the Department to take all the initiatives so as to ensure that the targets under the various schemes are achieved which would certainly improve the status of telecom connectivity in the country.

9. The Committee find that out of ₹ 8600 crore allocated at Budget Estimates stage for the year 2012-13, the major component of BE i.e. ₹ 8000 crore has been proposed for the scheme creation of National Optical Fibre Network (NOFN) for broadband connectivity to 2.50 lakh village Panchayats of the country. Out of ₹ 3,000 crore USO allocation made during the year 2011-12, ₹ 2547 crore have

been allocated for this scheme. The overall approval of ₹ 20,000 crore for the project has already been accorded. The Committee find that the aforesaid scheme would bridge connection gaps between Gram Panchayats and Blocks. The Committee further note that project is envisaged to be completed within two years. From the information furnished by the Department, the Committee find that although the scheme has been approved by the Cabinet, the bid for the project would be by September, 2012 and the award of work would then commence from September, 2012 onwards. While appreciating the ambitious programme of the Department, the Committee have their own doubts about the completion of the project within two years particularly when the award of work would commence from September, 2012. Nevertheless, the Committee strongly recommend that the Department should take all the initiatives so that the allocations made for the project are meaningfully utilized for the year 2012-13.

10. The Committee further find that Right Of Way (RoW) is a major constraint with regard to implementation of Optical Fibre Connectivity Schemes. Some initial initiatives to settle the issues with the State Governments in connection with the Right of Way seems to have been taken by the Department. The Department had consultations with Chief Secretaries of various States in Chief Secretaries Conference dated 3-4.2.2012 organized by Department of ARPG and Chief Ministers/State Ministers, during State Ministers conference on 29.03.2012. The Committee find that more such initiatives at the Chief Ministers/State Ministers/ Chief Secretaries level are required. Besides, there is an urgent need to have coordination with the Panchayats to settle the issue of Right of Way. The Department has to ensure some structured mechanisms to have coordination with the District level, Block level and village level authorities as well as the

village Panchayats so as to ensure the effective implementation of the Programme. The Committee recommend that the initiatives on the suggested lines should be taken by the Department which would definitely result into effective implementation of the programme.

Telecom Coverage to Naxalite Affected Areas

11. The Committee find that the Ministry of Home Affairs (MHA) has identified 2199 locations in nine States which are affected by Left Wing Extremism (LWE) and do not have any coverage by any service provider in these States. BSNL has installed towers at 363 locations. The Committee would like to be apprised about the requisite towers to cover the 2199 locations as identified by MHA so as to understand the extent of coverage by BSNL. The Committee may also like to emphasize that the remaining locations should be covered within the stipulated timeframe. The Committee would also like to emphasize that utmost priority should be given to providing connectivity in the Naxalite affected States.

12. The Committee further find from the information furnished by the Department that it has been decided to seek the approval of the Cabinet to extend USOF subsidy support to BSNL for providing and managing mobile services in Left Wing Extremism (LWE) affected areas. The draft Cabinet note has been submitted for approval of the competent authority. The Committee have also been apprised that mobile services shall be available for general public as well as security personnel around these locations and BSNL would maintain these mobile sites and network for five years with USOF subsidy. The Committee appreciate the aforesaid initiatives of the Department and would like the

Department to decide about the projected outlay required for the purpose so that the scheme can be implemented expeditiously.

Installation of alternate OFC network for the Defence Services

13. The Committee note that Optical Fibre Connectivity Network for the Air Force (AFNET) has been dedicated to nation by Air Force on 14.9.2010. With regard to the dedicated Optical Fibre Connectivity Network for the Army and Navy, the project has been considerably delayed. The information furnished by the Department indicates that initially the expected cost of the project was ₹ 2000 crore which was even approved by the Cabinet. However, at the execution stage, it was found that the cost was substantially higher than the cost approved by the Cabinet. The modifications in specifications and the several other reasons have been cited as the reason for escalation of cost. Now, the revised projected cost is ₹ 7,500 crore. The revised proposal would now be submitted to the Cabinet Committee on Infrastructure for financial approval. Timelines provided are a period of 36 months. Draft CCI has been circulated on 24 February, 2012 for inter-Ministerial consultations. With regard to the proposals for vacation of spectrum, the Committee have been informed that vacation of 55 + 55 MHz in frequency band 1710-1785 MHz paired with 1805-1880 MHz for 2G services; by the Ministry of Defence is being considered by Empowered Group of Ministers (EGoM).

The Committee are unhappy to note the delay caused to the important project with regard to installation of alternate Optical Fibre Connectivity Network to Army and Navy. The Committee fail to understand how the initial estimates of ₹ 2000 crore could escalate to ₹ 7500 crore. The modifications in specifications

alongwith some other reasons have been cited as the cause for revision of the cost of the project. The Committee would like the Department to apprise the Committee about each of the factor which resulted into more than three times of the cost of the project. Not only that the delay in execution of the project has resulted into blocking of outlay for the project during Eleventh Plan which has been cited as the main cause for under-spending of GBS component of the Department. Keeping in view the urgency of the matter, the Committee strongly recommend to execute the project expeditiously so that it is dedicated to the services within the stipulated timeframe of 36 months particularly when the vacation of spectrum which is urgently needed for expansion of telecom connectivity is contingent on providing the dedicated network to the Services.

Laying of Optical Fibre Cable/better connectivity in the border areas

14. The Committee during their Study visits to the border areas of the country which include Study visit to Nathula and Andaman and Nicobar Islands have noted the severe problem of connectivity. The Members of the Committee were moved to learn from the jawans posted at Nathula that they are not able to remain in touch with their family members. More disappointing is the fact that even when the Committee were assured of setting up of mobile tower and upgradation of exchange at the Army camp in Nathula by the representatives of BSNL who were present at the site during the study visit on 6 July, 2011, the promises are yet to be fulfilled. Now the representatives of the Ministry after passage of 8 months have informed that the mobile tower and upgradation of exchange could not be done due to the procurement problems. The Committee disapprove the way the BSNL has acted on such an important issue particularly when the

assurance was given to the Parliamentary Standing Committee during the on-site inspection. The Committee emphasize that keeping in view the strategic location of the area, the mobile tower and upgradation of the exchange should be done without any further delay and also within the stipulated timeframe.

15. The Committee would further like to strongly recommend that the position of connectivity in the border areas should particularly be monitored by the Department in consultation with the defence personnel posted on the borders. Keeping in view the strategic importance of these areas, all the initiatives should be taken to provide the requisite telecom infrastructure and also to maintain the telecom infrastructure provided on our borders. Not only that there should be some structured mechanism with the Department of Telecommunications and BSNL to review the position of connectivity on our borders. The action on the suggested lines should be taken by the Department and the Committee informed accordingly.

16. The Committee would further like to recommend that the Department as well as BSNL should ensure that there is multi-layer connectivity on our border and strategic areas to avoid the situation of total blackout at the time of natural calamities or war like situation. Besides providing connectivity, there is an urgent need to ensure the maintenance of the infrastructure as well as contingency exercises so that our systems function in any of the emergent situation.

The issues related to connectivity in A&N Island and the project regarding undersea cabling between Mainland and Andaman and Nicobar Island

17. The Committee express unhappiness over the way the project related to undersea cabling between Mainland and Andaman and Nicobar Island has been shuttled between Union Government and the UT Administration resulting into huge delay. Not only that the specific allocations for the project were earmarked during the Eleventh Plan which remained unutilized due to the aforesaid reasons. The aforesaid shuttling of the project has further resulted into non-involvement of BSNL and MTNL in implementation of such an important project. The project was initially to be executed by M/s Millennium Telecom Limited a joint venture company of BSNL and MTNL. Now, the project being funded by Planning Commission under UT Plan Budget is being implemented by ANIIDCO (a PSU of A&N Islands Administration). Nevertheless, keeping in view the importance of the project, the Committee would like to emphasize early execution of the project so as to improve the connectivity scenario in various islands of Andaman and Nicobar.

Undersea cabling in Lakshadweep

18. The Committee observe that there was a proposal for laying of submarine cable of 955 kms. for which the project estimate for connectivity of Ernakulam with various Islands of Lakshadweep including Kavarati was sent to DoT with an estimated cost of Rs. 435.69 during the Eleventh Plan. The Committee during the course of deliberations on Demands for Grants of the previous year had been apprised that USOF is evaluating options for augmentation of bandwidth to various Islands of Lakshadweep. The Committee understand that the decision in this regard has still not been taken. The Committee observe that Lakshadweep is strategically located area. For providing effective connectivity to various Islands, there is an urgent need to reconsider the issue of laying of submarine cable. The

concrete initiatives in this regard should be taken and the Committee informed accordingly.

Performance of PSUs, BSNL and MTNL

19. The Committee find from the information furnished by the Department that more and more subscribers are preferring private service providers over the public service providers. The growth of private sector during each year of the Eleventh Plan is higher than the growth in the public sector. The share of public sector under wireless category is gradually declining. Not only that the public sector is also losing their place in the wireline segment predominantly occupied by them earlier. What is more disappointing is the fact that MTNL and BSNL could not take the benefit of mobile number portability scheme of the Government which is evident from circlewise data with regard to porting out and porting in with regard to BSNL telephone connections. The analysis of the data indicates that in all the circles excepting Jammu and Kashmir, Odisha, Kerala, Andhra Pradesh and Tamil Nadu including Chennai, the porting out is more than the porting in.

The Committee are constrained to observe that issues related to unsatisfactory performance of BSNL and MTNL when highlighted by the Committee during the course of deliberations, the Secretary instead of enumerating the measures taken so far tried to justify the position by giving various reasons. The reasons enumerated by him include high cost of the staff which is 50 per cent in case of PSUs as compared to 4 to 5 per cent in case of private companies, ₹ 28000 crore paid by BSNL and MTNL for 3G spectrum and the issues related to delay in procurement. The justifications given by the Secretary are totally unacceptable. The Committee may like to highlight that

besides the problem of growing losses, the PSUs have not been able to leverage the support provided by the Government through GBS and various policy initiatives. The allocations provided through GBS component remained underspent due to the internal problems of PSUs. Not only that the recent request of BSNL for partial surrender of BWA spectrum speaks volume of the inability of the Public Sector Organisations to leverage the Government support. Allocation of 3G spectrum much before the auction to the Public Sector Organisations which could have provided them an edge in the market and lured the customers have proven to be a liability as stated by the Secretary according to whom ₹ 28,000 crore was paid by BSNL and MTNL in spectrum and there is a little business case for that ₹ 28,000 crore. To add to the problem of the Public Sector Undertakings their profits have shrunk over the years and the companies are now on losses.

The Committee conclude from the aforesaid scenario that both the PSUs BSNL and MTNL are ailing from various types of maladies. There is an urgent need to take immediate initiatives to reenergize these organizations. Moreover, the PSUs are working in a typical Government set up which has become their main impediment limiting their ability to compete in the market. The PSUs have not been able to provide quality services to their customers in spite of having huge trained workforce. The trained workforce which could have been their asset have now converted into liability. Moreover, the Committee are not able to comprehend the system of purchases whereby purchase orders could not be placed for the last four years as explained by the representatives of the Department during the course of deliberations in the context of setting up of towers in strategic area of Sikkim. The Public Sector Undertakings MTNL and

BSNL falls under the administrative jurisdiction of the Department of Telecommunications and as such the Department has the great responsibility to reenergize these organizations. The system of working of PSUs need to be reviewed immediately followed by certain concrete corrective actions. There is an urgent need to reform the system of acquisition/procurement in the Department. The system need to be made simple, transparent, e-enabled and decentralized. Besides, there an urgent need to fix the accountability for delay in purchases. Above all, the working of the staff of these organizations need to be reviewed. There is an urgent need to sensitize and motivate the huge workforce of PSUs through periodic reviews and the system of incentivizing the good performing staff. The Committee strongly recommend that the urgent initiatives as suggested above should be taken by the Department and Public Sector Organisations so as to improve their financial position as well as their place in the telecom industry.

20. The Department during the course of examination of Demands for Grants of the current year have furnished the waiting list for all the circles in case of Wireline and WLL. Analysing the statement, about waiting list for Wireline and WLL, it is seen that with regard to WLL, there is no waiting in all the circles except in Karnataka and Maharashtra. However, under wireline, the waiting list is in every circle except for Chhattisgarh, North East-2, Uttarakhand, Uttar Pradesh (East and West) and Chennai. The Committee fail to understand huge waiting list under the wireline in most of the Circles. With regard to wireless segment, the Committee are unable to comprehend waiting list in Karnataka and Maharashtra which are the progressive States. While deploring the waiting list in wireline and WLL segment, the Committee strongly recommend that BSNL should take all the

initiatives to clear the waiting list so that the telephones are provided on demand to the customers.

21. The Committee find from the information furnished by the Department that in all the Circles except Jammu and Kashmir, Odisha, Kerala, Andhra Pradesh and Tamil Nadu including Chennai the porting out is more than porting in. The Committee would like to recommend that the Department as well as BSNL and MTNL should study the positive trends with regard to porting in and porting out and other parameters in the good performing Circles and replicate the good practices being followed by these Circles in the poor performing Circles. Such an initiative would certainly result in improving the overall performance of PSUs.

BSNL and National e-Governance Plan (NeGP)

22. It has come out during the course of deliberations on Demands for Grants (2012-13) of the Department of Electronics and Information Technology that various components of e-Governance programmes are suffering due to connectivity constraints. The Committee have been apprised that out of 74457 Common Service Centres (CSCs) locations enabled for connectivity, only about 21426 CSCs have availed BSNL connectivity primarily because of delay on the part of BSNL Circle Officers in providing connectivity. With regard to the implementation of State Wide Area Network (SWAN), non availability of leased line connectivity has been cited as reason for the delay in implementation of SWAN by the Department of Information Technology. The Committee during the course of their study visits to various parts of the country have also got the feedback that the important e-governance projects are suffering due to connectivity constraints. The Committee emphasize that National e-Governance plan is one of the flagship programme of the Government which when

implemented would revolutionize the delivery mechanism of the various programmes of the Government. The Committee deplore the aforesaid situation whereby telecom connectivity constraint has become the biggest impediment in the implementation of various component of NeGP. The Committee strongly recommend that the Department of Telecommunications should look into the matter in coordination with the various State Governments so that NeGP is implemented expeditiously. Not only that the system of fixing accountability in case of delay on the part of the officials of PSUs/DoT need to be enforced. The urgent initiatives in this regard should be taken and the Committee informed accordingly.

The officers on deputation in BSNL

23. The Committee during the course of deliberations have been apprised by the Secretary, DoT that the higher management cadres of BSNL are occupied by officers on deputation from the Department of Telecommunications. The Committee understand that the decision on the issue of absorption of a small number of officers could not be taken and even when the issue went to Cabinet on a couple of occasions. The Committee express unhappiness over the way such an important issue has been dealt with by the Department. The Committee emphasize that the issue need to be sorted out expeditiously, particularly when these officers on deputation are holding the higher management cadres of BSNL. The delay in taking policy decision in this regard definitely has an effect on the overall functioning of BSNL.

Indian Telecom Industry (ITI)

24. The Committee appreciate that losses of ITI in the year 2011-12 were to the tune of ₹ 357 crore against the loss ranging from ₹ 600 crore to ₹ 700 crore last year as informed to the Committee by the representative of the ITI. On the issue of revival Plan of ITI, the Committee note that the case is being considered by

BIFR. The representative was confident that with the support of the Ministry, the revival plan would be approved in the second week of June. The Committee are further pleased to note that Palakkad Unit of ITI has achieved this year an all time high turn over of ₹ 451 crore and have reported profit. The Committee in this regard would like to recommend for early approval of the revival plan of ITI. The Committee would also like to emphasize that all the initiatives being taken to contain the losses should be continued so as to make the ITI a profit making company. Besides, more emphasis need to be given to diversify activities by the various Units of ITI.

25. The Committee have been apprised that a Committee headed by Member (Services) Telecom Commission was constituted on 20 May, 2011 to look into the various issues to bring about synergies between various telecom units viz. BSNL, MTNL, TCIL, ITI, C-DoT etc. The said Committee examined and analyzed the inputs received from these telecom units and other divisions of DoT and submitted its report in the month of October, 2011. The Committee would like to be apprised about the recommendations made by the aforesaid Committee headed by the Member (Services) Telecom Commission. Besides, the Committee would also like the Department to consider and implement the recommendations of the aforesaid telecom Committee so as to improve the coordination and synergy between various telecom units.

Roll Out Obligations of 2G Spectrum

26. The Committee in the Twenty-first Report had recommended the Department to compile the data with regard to approximately 260 existing UAS licensees issued notices for not agreeing to the various obligations as per the

Licence Agreement. When the issue was pursued further during the course of examination of Demands for Grants of the current year, the Department in a vague manner has furnished some information whereby it has been stated that demand notice for imposition of liquidated damages had been issued to 125 licensees due to delay in compliance of roll out obligations. Many of them had approached the Hon'ble Telecom Disputes Settlement & Appellate Tribunal (TDSAT) against the calculation of delay in compliance of rollout obligations & imposition of LD. It has also been mentioned that the Department has received ₹ 318.91 crore out of ₹ 529.00 crore from the above referred Licensees against LD till 31-3-2012. The Committee are not satisfied with the sketchy information furnished by the Department. The Committee strongly recommend that the data with regard to violation of different licence obligations by the Services providers and the penalty imposed, penalty collected should be appropriately maintained by the Department after collecting the same from the concerned technical Departments of DoT and. TRAI. Not only that the information should be placed on the website of the Department for greater transparency. The suggested procedure would ensure the Department to monitor the position of violation of various obligations by licensees as well as collection of penalty thereto. The concrete action in this regard should be taken and the Committee apprised accordingly.

27. The Committee in their Twenty-first Report had strongly recommended for strict action against the defaulter licensees for not meeting their rollout obligations in respect of 2G spectrum. Subsequently, the Supreme Court in its judgement has ordered for quashing of 122 licences. With regard to status of the matter, the Committee understand that the Department is grappling with certain

legal complications and seeking legal opinion. The Government has filed Interlocutory Application and Review Petition on 1st and 2nd March, 2012 respectively. However, the Committee have been apprised that the Review Petition does not challenge the quashing of licences. On the issue of allocating of 2G spectrum to be vacated by the licensees whose licences would be cancelled, the Department has informed that Central Government is considering the recommendations of TRAI and would take appropriate decision within the next one month.

The Committee conclude from the aforesaid position that cancellation of licences for violation of rollout obligation is being delayed due to certain reasons. The Committee are of the firm opinion that spectrum is a scarce resource. With the situation of licensees not complying the rollout obligations, it results into blocking the scarce resource. The Committee would like the Department to study such cases so as to understand the problems/intention of these defaulter licensees. Besides, when the National Telecom Policy, 2011 is going to be finalized, the Committee would like the Department to ensure that the policy addresses the challenges being faced by the Department on several contentious issues.

Roll Out Period in Case of 3G Spectrum

28. The Committee disapprove the way the Department has dealt with one of the important recommendations made by the Committee in the Twenty-first Report. The Committee in the said Report while observing that the prescribed period of five years for rollout obligations for 3G spectrum as compared to 52 weeks in case of 2G spectrum would result into blocking of the scarce resource

had strongly recommended to review the position. The Department instead of taking the recommendations seriously has tried to sidetrack the issue by insisting that the rollout obligation in case of 3G spectrum being part of Notice Inviting Application (NIA) cannot be altered at this stage. Even when it was made clear in the action taken report as well as during the course of examination of Demands for Grants of the current year that the intention of the Committee was with regard to future policy, the Department tried to insist their stand. When the matter was again pursued during the course of deliberations, the Secretary, at last, understood the issue and assured the Committee that the desirability of having shorter period and the recommendation of the Committee would be kept in mind when the Department go forward with the auction process. The aforesaid response of the Secretary again indicates the insensitivity of the Department towards the important recommendation of the Committee. Even when the Department is going to finalize the new Telecom Policy, the important issue has not been considered as part of the long-term policy process. Not only that the ignorance of the representatives of the Department with regard to international practice in this regard further substantiates casual attitude of the Department towards important policy issues particularly when these are raised by the Parliamentary Committee. The Committee may like to reemphasize that spectrum is the scarce resource. The period of five years in case of 3G spectrum would result into blocking of resources particularly with the situation of rollout of 2G spectrum whereby the licensees have not rolled out services even within the prescribed 52 weeks and which has resulted into further blocking of resources and controversies. The Committee as such strongly recommend that the period of five years in case of 3G spectrum should be reviewed after looking into all the

aspects as well as international practice in this regard. The Committee would also like to be apprised of the basis of fixing five years for rollout in case of 3G spectrum so as to understand the matter in detail.

Use of Non-conventional energy

29. The Committee have consistently been recommending in their Reports for the use of non-conventional energy sources for powering the mobile infrastructure sites. The Committee find that enhanced and continued adoption of green policy in telecom and incentivise use of renewable energy sources for sustainability is one of the objectives of the draft National Telecom Policy, 2011. The Committee may like to emphasize that power supply is the major constraint in expanding the telecom network in rural areas. Moreover, the use of non-conventional energy sources for telecom sector would address the environmental concerns as rightly emphasized in the new proposed Telecom Policy. The urgent steps for promoting and incentivizing use of non-conventional energy sources for telecom sector in line with the policy document should expeditiously be taken by the Department for sustained telecom growth in an environment friendly environment.

Import of telecom equipments

30. The Committee find that telecom equipments is a major share of country's electronic hardware import. The data furnished by the Department indicates that the substantial part of the total import relating to telecom equipments come from China. Out of 50,94,529.30 lakhs of total imports during 2010-11, 30,41,588.17 lakhs were from China. Not only that the telecom equipments imports from China

are increasing year after year. On the issue of security concerns involved in this regard, the Committee have been apprised that the Government, vide Notification No. 8(78)/2010-IPHW dated 10th February 2012, has laid down the policy for providing preference to domestically manufactured electronic products in procurement of those electronic products (including telecom equipment) which have security implications for the country and in Government procurement for its own use and not with a view to commercial resale or with a view to use in the production of goods for commercial sale. For the implementation of above notification, the Department has constituted a Committee under the Chairmanship of Member(T) to recommend telecom product or products having security implications for the country and other actions to be taken by the Department for the implementation of various provisions mentioned in the notification.

The Committee emphasize that there are serious security issues related to import of SIM cards and telecom equipments. As such telecom products having security implications for the country should be identified expeditiously by DoT. The requisite policy initiatives in this regard should be taken expeditiously so as to address the issue of security concerns in import of SIM cards and telecom equipments. Besides the Department of Telecommunications and other R&D agencies should pay more attention to ensure indigenous production of telecom equipments and SIM cards so as to attain the level of self sufficiency in the matter.

Cases of having SIM cards issued against false identity

31. The Committee are concerned to note that approximately 16.7 lakh cases have been found non-compliant to the norms till 16.02.2012 and penalty of

approximately ₹ 1800 crore have been imposed on the telecom service providers for violation of norms on the matter of issue of SIM cards against false identity. The Committee feel that the penalty of ₹ 1800 crore itself indicates the quantum of irregularities on the matter of issue of SIM cards. This may be a tip of the iceberg as the actual ground situation may further be alarming. The Committee strongly emphasize that the issue of SIMs on a false identity is a security threat to the country. The Committee strongly recommend that besides taking action against the individuals, strict penalty measures should be taken against the service providers. The Department should consider the issue seriously and new policy initiatives in this regard should be taken.

32. The Department should consider sending SIM cards through Post which may address the issue of SIM cards on false identity. The action in this regard should be taken and the Committee informed accordingly.

E-waste

33. The Committee find that handling of e-waste is the major area of concern for any of the country. Since the Department of Telecommunications is finalising new Telecom Policy, the Committee would like to emphasise that the issue of e-waste should be addressed in a comprehensive manner in coordination with the other concerned Ministries like Department of Electronics and Information Technology and Ministry of Environment and Forests. The Committee would also like to be apprised about the quantum of e-waste in the country during each year of the Eleventh Plan.

Illegal telecom operations

34. On the illegal telecom operations, the Department has informed that 540 cases of raids were conducted by Vigilance Branch of DoT and the cases were handed to the Law Enforcement Agency (LEA) on spot for further actions including prosecution of the culprits. The detailed data furnished by the Department with regard to the specific cases indicates that some of the raids were conducted even in the year 2000-02 which means that almost 10 years have passed since the raids have been conducted and cases handed over to LEAs. Against some of the cases of 2005, it has been mentioned that these are under examination of police. Against some of the cases it has been mentioned that these cases are untraceable by police.

The Committee fail to understand how the cases can remain under investigation with the police for more than 6 to 7 years. The Committee would like the Department to clarify the position in this regard. The Committee would also like the Department to clarify how the cases would remain untraceable by police as informed by the Department. The Committee have consistently been raising the issue of operation of illegal telecom towers in the country in the various reports. The Committee again emphasize that illegal telecom networks besides causing the great loss to the Government are security threat to the country. There is an urgent need to have intelligence mechanism with DoT to find out such cases. Besides, the Department need to follow up cases with the investigation agencies so that these cases reach to the logical conclusion and the culprits are penalized which may be deterrent for others to follow such unlawful activities which are a threat to the security of the country.

New Delhi
April, 2012
Vaisakha, 1934 (Saka)

RAO INDERJIT SINGH,
Chairman,
Standing Committee on
Information Technology.

BROADBAND SUBSCRIBERS (STATEWISE) AS ON AUGUST, 2009 TO AUGUST, 2011

S. No.	State/ Telecom circle	Broadband subscribers (As on 31.08.09)	Broadband subscribers (As on 31.08.10)	Broadband subscribers (As on 31.08.11)
1	Andaman & Nicobar	2968	5116	5773
2	Andhra Pradesh	538555	901148	1246429
3	Assam	44858	62080	81703
4	Bihar (including Jharkhand)	95231	134436	178964
5	Delhi*	761153	963813	1010001
6	Gujarat	422917	623554	774338
7	Haryana	132795	216609	286564
8	Himachal Pradesh	33518	52742	72002
9	Jammu & Kashmir	30846	43030	58108
10	Karnataka	735370	1072268	1278936
11	Kerala	410598	639158	860093
12	Maharashtra (including Goa)	1179659	1755910	2216691
13	Madhya Pradesh (including Chhattisgarh)	246677	387970	483133
14	North East**	22767	33507	48282
15	Orissa	73287	159872	206963
16	Punjab	319161	487640	626406
17	Rajasthan	210168	310242	400135
18	Tamilnadu	864052	1239685	1588264
19	Uttar Pradesh (including Uttaranchal)	348534	538743	664051
20	West Bengal	332866	474472	564298
21	ALL INDIA***		1036	404
	TOTAL	6805980	10103031	12651538

* includes Noida, Gurgaon, Ghaziabad and Faridabad

** includes Meghalaya, Mizoram, Arunachal Pradesh, Manipur, Nagaland & Tripura

***some of the companies have not provided the state wise break-up of their subscribers

USOF:

a) Following on-going USOF schemes shall continue from 11th Five Year Plan to 12th Five Year Plan:

Scheme	Date of Effect	Target date for Roll out	Target	Achievement as on 29.02.12
VPTs under Bharat Nirman	10.11.2004	28.02.2012	62302 VPTs	62063 VPTs
VPTs in newly Identified Villages	27.02.2009	31.08.2012	62443 VPTs	52474 VPTs
Replacement of Multi Access Radio Relay (MARR) based VPTs (MARR-B)	01.04.2002	28.02.2012	185121	184775
Replacement of MARR based VPTs (MARR-A)	01.07.2003			
Shared Mobile Infrastructure Scheme	01.06.2007	31.08.2011	7353 towers	7300 Towers
Wireline Broadband Scheme	20.01.2009	19.01.2014	888832 BB connections by 2014	352595 BB connections
Optical Fibre Network Augmentation, Creation and Management of Intra-District SDHQ-DHQ OFC Network in service area of ASSAM	12.02.2010	11.08.2012	354 nodes	177 nodes
Optical Fibre Network Augmentation, Creation and Management of Intra-District SDHQ-DHQ OFC Network in service area of NE-I	16.01.2012	15.01.2014	189 nodes	Rollout yet to start
Optical Fibre Network Augmentation, Creation and Management of Intra-District SDHQ-DHQ OFC Network in service area of NE-II	16.01.2012	15.07.2014	407 nodes	Rollout yet to start
National Optical Fibre Network	25.10.2011	31.10.2013	All gram panchayats (apprx. 2.5 Lakh) are to be connected through optical fibre	Rollout yet to start

Appendix-III

The circle-wise waiting list for BSNL telephones (Wireline & WLL) as on February, 2012 is given below

S. No.	Name of the circle	Waiting List		
		Wireline	WLL	GSM
1	Andaman & Nicobar	67	0	0
2	Andhra Pradesh	7202	0	0
3	Assam	114	0	0
4	Bihar	146	0	0
5	Chhattisgarh	0	0	0
6	Gujarat	4502	0	0
7	Haryana	434	0	0
8	Himachal Pradesh	180	0	0
9	Jammu & Kashmir	1968	0	0
10	Jharkhand	114	0	0
11	Karnataka	8160	794	0
12	Kerala	11202	0	0
13	Madhya Pradesh	101	0	0
14	Maharashtra	10948	351	0
15	North East - 1	219	0	0
16	North East - 2	0	0	0
17	Orissa	6	0	0
18	Punjab	9	0	0
19	Rajasthan	87	0	0
20	Tamilnadu	3134	0	0
21	Uttarakhand	0	0	0
22	Uttar Pradesh (East)	0	0	0
23	Uttar Pradesh (West)	0	0	0
24	West Bengal	916	0	0
25	Kolkatta Telephones	632	0	0
26	Chennai Telephones	0	0	0
	TOTAL	50141	1154	0

The cumulative MNP data Circle wise is given below

Sl. No.	Circle	Ported out	Ported In	Ratio of Port out to Port in
1	Rajasthan	179,364	58,084	3
2	Punjab	220,757	47,465	5
3	UP West incl Uttarakhand	99,369	23,833	4
4	UP East	84,592	33,485	3
5	Himachal Pradesh	14,163	5,613	3
6	Jammu & Kashmir	329	532	0.6
7	Haryana	198,744	51,708	4
8	MP incl Chhattishgarh	68,926	30,290	2
9	Maharashtra	135,942	29,315	5
10	Gujarat	130,717	38,708	3
11	Bihar incl Jharkhand	43,799	12,628	3
12	Assam	7,476	4,398	2
13	Odisha	33,333	40,111	0.8
14	NE1 incl NE2	1,901	1,339	1.3
15	West Bengal	50,845	13,797	4
16	Kolkatta TD	36,935	8,909	4
17	Karnataka	150,365	115,223	1.3
18	Kerala	99,496	391,686	0.3
19	Andhra Pradesh	164,001	293,993	0.6
20	TN incl Chennai	108,340	129,925	0.8
Total		1,829,394	1,331,042	1.4
Net Gain/ Loss		-498,352		
Subscriber Base as on last Day of Month		93,647,437		
Port Out / Port In % of Subscriber Base		1.95%	1.42%	
Net Gain/ Loss % of Subscriber Base		-0.53 %		

**STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2011-2012)**

MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 11th April, 2012 from 1100 hours to 1415 hours in Committee Room '62', First Floor, Parliament House, New Delhi.

PRESENT

Shri Rao Inderjit Singh –Chairman

MEMBERS

Lok Sabha

2. Shri Rajendra Agrawal
3. Shri Nikhil Kumar Choudhary
4. Shri H.D. Devegowda
5. Dr. Charles Dias
6. Shri A. Ganeshamurthi
7. Dr. Tarun Mandal
8. Shri P.R. Natarajan
9. Shri Tapas Paul
10. Shri Rajiv Ranjan Singh *alias* Lalan Singh
11. Smt. Seema Upadhyay

Rajya Sabha

12. Shri M.P. Achuthan
13. Shri Salim Ansari
14. Shri Mohammad Adeeb
15. Shri Raj Kumar Dhoot
16. Prof. Alka Balram Kshatriya
17. Shri P. Rajeeve

SECRETARIAT

1. Shri T.K. Mukherjee - Joint Secretary
2. Smt. Sudesh Luthra - Director
3. Shri Y.M. Kandpal - Additional Director
4. Dr. Sagarika Dash - Deputy Secretary

LIST OF WITNESSES

Sl. No.	Name	Designation
1.	Shri R. Chandrashekhar	Secretary (DoT)
2.	Smt. Sadhana Dikshit	Member (F)/Advisor (F)
3.	Shri S.C. Misra	Member (S)
4.	Shri J.K. Roy	Member (T)/Advisor (T)
5.	Shri S.R. Rao	AS(T)
6.	Shri N. Ravi Shanker	Administrator (F), USOF
7.	Dr. Ashok Chandra	Wireless Advisor
8.	Shri A.K. Mittal	Sr. DDG (AS-I)
9.	Shri Malay Shrivastava	JS (T)
10.	Shri Shahbaz Ali	DDG (TPF)
11.	Shri Ram Narain	DDG (Security)
12.	Shri G.P. Srivastava	DDG (CS)
13.	Shri K.S. Bariar	DDG (LF-I)
14.	Shri Kaushal Kishore	Jt. Admn.(F) (USOF)
15.	Shri Anil Kaushal	Sr. DDG (TEC)
16.	Shri P.K. Panigrahi	Sr. DDG (BW), DoT
17.	Shri A.K. Garg	CMD, MTNL
18.	Shri K.L. Dhingra	CMD, ITI
19.	Shri R. K. Agarwal	Director (CM), BSNL
20.	Shri A. Robert Jerard Ravi	Advisor, TRAI

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee convened to take oral evidence of the representatives of the Department of Telecommunications of the Ministry of Communications and Information Technology in connection with the examination of the Demands for Grants (2012-13) of the Department of Telecommunications.

[The representatives of the Department were then called in]

3. The Chairman welcomed the representatives of the Department of Telecommunications. He then drew the attention of the representatives to Direction 55(1) relating to confidentiality of the deliberations till the report is presented to the House. Before Demands for Grants (2012-13) of the Department of Telecommunications were taken for consideration, the Committee took strong exception to the absence of CMD, BSNL at the sitting of the Committee. Not only that, CMD did not care to take permission from Chairman of the Committee for his absence in pursuance of Directions by the Speaker, Lok Sabha. The Committee placed on record their strong displeasure and desired that CMD, BSNL should furnish written apology in this regard.

4. The representatives of the Department then explained salient features of the Demands for Grants (2012-13) through a power point presentation. The presentation made by the representatives of the Department broadly covered financial and physical performance of the Department during the whole Eleventh Plan period in the context of the allocation provided for various projects through GBS outlay, IEBR component of Public Sector Undertakings and USO allocation.

5. The Committee, thereafter, deliberated in detail the performance of the Department as well as three Public Sector Undertakings viz BSNL, MTNL and ITI during the Eleventh Plan as a whole and the year 2011-12 in particular. The Committee also examined the projection of outlay under GBS, IEBR and USO outlay for the Twelfth Plan as well as for the year 2012-13. The Members then sought certain clarifications on various issues and the representatives of the Ministry responded to the same and assured written replies with regard to the issue on which the information was not readily available.

6. The Chairman thanked the representatives of the Department of Telecommunications for appearing before the Committee as well as for furnishing valuable information that the Committee desired in connection with the examination of the Demands for Grants (2012-13) of the Department.

[The witnesses then withdrew]

A copy of verbatim proceedings of the sitting has been kept.

The Committee, then, adjourned.

**STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2011-2012)**

MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 20th April, 2012 from 1430 hours to 1600 hours in Committee Room '62', First Floor, Parliament House, New Delhi.

PRESENT

Shri M.P. Achuthan – In the Chair

MEMBERS

Lok Sabha

2. Shri Rajendra Agrawal
3. Smt. Sarika D.S. Baghel
4. Shri Nikhil Kumar Choudhary
5. Dr. Charles Dias
6. Shri Rajen Gohain
7. Smt. Darshana Vikram Jardosh
8. Dr. Tarun Mandal
9. Shri P. R. Natarajan
10. Shri Tapas Paul
11. Shri Rajiv Ranjan Singh alias Lalan Singh

Rajya Sabha

12. Shri Raj Kumar Dhoot
13. Prof. Alka Balram Kshatriya
14. Shri P. Rajeev

SECRETARIAT

- | | |
|------------------------|-----------------------|
| 1. Shri T.K. Mukherjee | - Joint Secretary |
| 2. Smt. Sudesh Luthra | - Director |
| 3. Shri Y.M.Kandpal | - Additional Director |
| 4. Dr. Sagarika Dash | - Deputy Secretary |

2. As the Chairman was not present, the Committee under Rule 258(3) chose Shri M.P. Achuthan, M.P., and a member of the Committee to preside over the meeting.

3. At the outset, the Convenor welcomed the Members to the sitting of the Committee. The Committee then took the following Draft Reports for consideration:-

(i) Draft Report on Demands for Grants (2012-13) relating to the Department of Telecommunications;

(ii) ***** .

(iii) ***** .

4. The Committee adopted the above-mentioned three Draft Reports with some amendments/modifications.

5. The Committee, then, authorized the Chairman to finalize and present the above-mentioned Reports to the House in light of the factual verifications received from the concerned Ministries/Departments on a day convenient to him.

The Committee, then, adjourned.

* Matter not related to the Report.