

FOURTH REPORT

STANDING COMMITTEE ON  
COMMUNICATIONS  
(1999-2000)

(THIRTEENTH LOK SABHA)

MINISTRY OF COMMUNICATIONS  
(DEPARTMENT OF TELECOMMUNICATIONS)

[Action Taken by the Government on the Recommendations/Observations in  
the Thirteenth Report (Twelfth Lok Sabha) of Standing Committee  
on Communications on Demands for Grants (1999-2000)]

Presented to Lok Sabha on.....

Laid in Rajya Sabha on.....



LOK SABHA SECRETARIAT  
NEW DELHI

March, 2000/Phalguna, 1921 (Saka)

## CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE .....	(iii)
INTRODUCTION .....	(v)
CHAPTER I Report .....	1
CHAPTER II Recommendations/Observations which have been accepted by the Government .....	6
CHAPTER III Recommendations/Observations which the Committee does not desire to pursue in view of replies of the Government .....	15
CHAPTER IV Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration .....	26
CHAPTER V Recommendations/Observations in respect of which replies are of interim nature .....	29
APPENDICES	
I. Minutes of the Second Sitting of the Standing Committee on Communications (1999-2000) held on 27.01.2000 .....	36
II. Analysis of Action Taken by the Government on the Recommendations contained in the Thirteenth Report of Standing Committee on Communications (Twelfth Lok Sabha) .....	40

COMPOSITION OF THE STANDING COMMITTEE ON  
COMMUNICATIONS (1999-2000)

Shri Somnath Chatterjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Ambareesha
3. Shri Mahendra Baitha
4. Shri Pawan Kumar Bansal
5. Prof. Dukha Bhagat
6. Shri Tara Chand Bhagora
7. Shri Nikhil Kumar Chaudhary
8. Shri Adhir Ranjan Chowdhary
9. Shri T. Govindan
10. Adv. Uttamrao Dhikale
11. Shri Jawahar Lal Jaiswal
12. Shri K.K. Kaliappan
13. Shri Shreechand Kriplani
14. Dr. C. Krishnan
15. Shri Bhartruhari Mahtab
16. Shri Simranjit Singh Mann
17. Shri G. Ram Mohan
18. Shri A.K. Moorthy
19. Shri Karia Munda
20. Shri K. Balrama Krishna Murthy
21. Shri Sheeshram Singh Ravi
22. Shri K.A. Sangtam
23. Shri Saroj Tufani
24. Sardar Buta Singh

(iv)

25. Shri Chandra Vijay Singh
26. Rajkumari Ratna Singh
27. Shri Vinay Kumar Sorake
28. Shrimati D.M. Vijaya Kumari
29. Vacant
30. Vacant

*Rajya Sabha*

31. Dr. M.N. Das
32. Shrimati Veena Verma
33. Shri Balkavi Bairagi
34. Shri Shatrughan Sinha
35. Shri Narendra Mohan
36. Dr. Mahesh Chandra Sharma
37. Dr. Y. Radhakrishna Murthy
38. Shri Munavvar Hasan
39. Shri S. Agniraj
40. Shri Kartar Singh Duggal
41. Miss Lata Mangeshkar
42. Shri Cho. S. Ramaswamy
43. Shri R.N. Arya
44. Vacant
45. Vacant

SECRETARIAT

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

## INTRODUCTION

I, the Chairman, Standing Committee on Communications (1999-2000) having been authorised by the Committee to submit the Report on its behalf, present this Fourth Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in its Thirteenth Report (Twelfth Lok Sabha) on Demands for Grants (1999-2000) relating to the Ministry of Communications (Department of Telecommunications).

2. The Thirteenth Report was presented to Lok Sabha on 21 April, 1999 and was also laid in Rajya Sabha on 23 April, 1999. The Government furnished Action Taken Notes on the recommendations contained in the Report on 20 July, 1999.

3. The Report was considered and adopted by the Committee at its sitting held on 27 January, 2000.

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

5. An analysis of Action Taken by Government on the recommendations contained in the Thirteenth Report of Standing Committee on Communications (Twelfth Lok Sabha) is given in Appendix-II.

NEW DELHI;  
11 February, 2000  
22 Magha, 1921 (Saka)

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



## CHAPTER I

### REPORT

This Report of the Standing Committee on Communications deals with the action taken by the Government on the Recommendations/Observations contained in the Thirteenth Report (Twelfth Lok Sabha) on Demands for Grants (1999-2000) relating to the Ministry of Communications (Department of Telecommunications).

2. The Thirteenth Report was presented to Lok Sabha on 21 April, 1999 and was also laid on the Table of Rajya Sabha on 23 April, 1999. It contained 30 Recommendations/Observations.

3. Action Taken Notes in respect of all the Observations/Recommendations contained in the Report have been received and categorised as under:

- (i) Recommendations/Observations which have been accepted by the Government:

Paragraph Nos.: 14, 16, 37, 39, 48, 74, 75, 95, 96, 110, 124 and 130

Total: 13

Chapter II

- (ii) Recommendations/Observations which the Committee does not desire to pursue in view of the reply of the Government:

Paragraph Nos.:- 47, 56, 76, 81, 97, 98, 99, 108, 109, 123, 131, 135 and 136

Total: 13

Chapter III

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

Paragraph Nos.: 15, 38 and 57

Total: 3

Chapter IV

- (iv) Recommendations/Observations in respect of which replies are of interim nature:

Paragraph Nos.: 83

Total: 1

Chapter V

4. The Committee trusts that utmost importance would be given to the implementation of the recommendations accepted by the Government. In cases, where it is not possible for the Department to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee further desires that Action Taken Notes on the recommendations/Observations contained in Chapter I and final Action Taken Notes on recommendation contained in Chapter V of this Report should be furnished at an early date.

5. The Committee will now deal with action taken by Government on some of its recommendations.

**Persistent savings under the Microwave Radio  
Relay System Scheme (Paragraph No. 15)**

6. The Committee in its Thirteenth Report had noted that for Microwave Radio Relay System in Tribal Area, the BE 1998-99 provision of Rs. 38.26 crore was curtailed to Rs. 26.69 crore at the 1998-99 RE stage. Similarly, for the same scheme in Rural Area, the BE 1998-99 provision of Rs. 626.97 crore was reduced to Rs 372.50 crore in the RE 1998-99. For the year 1999-2000, the BE has been provided at Rs. 23.31 crore for Tribal Area and Rs. 305 crore for Rural Area for the aforesaid scheme. Persistent savings was stated to be the reason for such reduction. Expressing its dissatisfaction over the gradual reduction in the Budget Provision for such in important scheme, the Committee recommended the Department



to ascertain the reasons of persistent savings under the scheme in both Tribal Area and Rural Area and take remedial action thereafter.

7. The Department in its Action Taken Notes has replied that the Budget provision in respect of the scheme BB 4 (3) MWRR systems is in line with the increase/decrease in the overall provision under the scheme BB 4-LD Transmission Systems. The Department has further stated that a major reason for the persistent savings under this scheme is non-receipt of equipment as planned. However, remedial measures are being taken to overcome the constraints. The Department has also stated that subject to availability of equipments, availability of funds shall not be a constraint in implementing important schemes under this head.

8. The Committee observes that in view of the importance being accorded to Microwave Radio Relay System in recent years, the position/requirement in Tribal/Rural Area should have been taken into consideration without linking it with the overall increase/decrease under the scheme BB 4 LD Transmission System. Moreover, utmost attention is required to be paid to tackle the problem of non-receipt of equipment as reported by the Department. Availability of funds hardly serves any purpose without procurement of equipments as planned. The Committee, therefore, recommends the Department to sort out the problems involved in non-receipt of equipments and take timely action so that all the schemes are executed in time.

**Poor Performance of Private Operators**  
(Paragraph No. 38)

9. In its earlier Report the Committee had expressed its dissatisfaction over the poor performance of the Private Telecom Operators who were entrusted with the responsibility of covering 67,000 villages during the 9th Plan period. Observing that the Department had not prescribed any time limit for taking penal action against the Private Operators for their non-performance, the Committee recommended that a definite time limit should be prescribed in this regard and in case of any breach of contract within that stipulated time frame, penal action should be taken against the Private Operators.

10. The Department in its Action Taken Notes has stated that there is a provision for imposition of Liquidated Damages in case the Private Operators fail to provide a minimum of 10% of their Direct Exchange Lines (DELs) as VPTs as per the License Agreement.



11. The Committee is not satisfied with the reply of the Department as nowhere it has been mentioned that a definite time limit is contemplated to take penal action against the Private Operators in case of their failure to fulfil the contractual obligations. Taking into consideration the abysmal performance of the Private Telecom Operators in providing VPTs during the last few years, the Committee is inclined to believe that non-prescription of a certain time-limit for the Private Operators to accomplish the job assigned, will further worsen the situation in the coming years. The Committee, therefore, reiterates its earlier recommendation that the Private Operators should be asked to fulfil their contractual obligation within a definite time frame failing which penal action be initiated against them. The Committee would like to be apprised of the action taken against the erring private operator.

**Achievement of target in other areas  
(Paragraph No. 47)**

12. The Committee had noted in its earlier Report that the achievement in Switching Capacity, Microwave System and Optical Fibre Systems fell short of the target during the year 1998-99. Being not impressed by the Department's submission that delayed acceptance of Advance Purchase Orders (APOs) by the vendors, delayed supply/non supply of equipments etc. were the reasons for non-achievement of target in the above mentioned areas, the Committee recommended to strengthen the inspection and monitoring system thoroughly besides streamlining the procedure. The Committee further desired that the purchasing system should be decentralised to enable regular procurement of equipments for meeting the target fully during the year 1999-2000.

13. The Department in its Action Taken Notes has stated that regular coordination meetings are being held between Planning and Material Management Groups to review the requirement of materials. Monthly status of supplies is being insisted upon from the suppliers so as to get uniform supplies during the delivery period of the contract. Further, progress of material procurement is being monitored every month by Telecom Commission. Moreover, vendor rating system has been introduced to give weightage to the delivery performance as well as quality alongwith the price. The Department has further stated that procurement of 56 items of stores has been decentralised. Review will be undertaken in September, 1999 for additional items to be considered for decentralisation for the year 2000-2001.

14. The Committee would like to be apprised of the position as soon as the review is undertaken for decentralisation of additional items for the year 2000-2001. The Committee would further like the Department to intimate it whether the position has actually improved as a result of the various inspection and monitoring efforts which are stated to have been initiated.

#### Progressive Telephone Demand

(Paragraph No. 57)

15. In its Thirteenth Report the Committee had noted that if proper assessment of a progressive increase in the demand for telephones was not done on year-to-year basis, the Department would not be in a position to achieve the objective of telephone on demand. Accordingly, the Committee had recommended that the Department should always remain prepared to meet the exponential increase in demand.

16. The Department in its Action Taken Notes has stated that demand assessment for telephones is done every year at the time of fixing up the targets for Annual Plans.

17. The Committee is not satisfied with the reply of the Department Taking into consideration the fact that for the last few years this progressive increase in demand for telephones apart from non-performance of Private Operators has become formidable, reasons for not achieving the objective of telephone on demand should not be acceptable and the reply that every year demand assessment for telephones is done is far from convincing. In a nutshell it may be pointed out that if proper demand assessment is done every year, it should not create a problem in achieving the objective. The Committee is, therefore, inclined to believe that proper assessment of the progressive increase in demand for telephones is not done with all the seriousness and recommends the Department to take adequate step in that direction. The Committee will also like to be apprised of the procedure adopted in assessing the prospective demand for telephones in a given area/region.



## CHAPTER II

### RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE COMMITTEE

#### Recommendation (Para 14)

The Committee observes that for Trunk Automatic Exchange in Tribal Area, the Budget Estimate (BE) 1999-2000 has been cut down to Rs. 15,23,96,000 from the Revised Estimate (RE) 1998-99 provision of Rs. 15,41,31,000. Similarly, for STD and other Trunk Dialing System in Tribal Area the RE 1998-99 was Rs. 2,77,60,000 whereas the BE 1999-2000 has been reduced to Rs. 2,52,89,000. It is pertinent to note that for these items in General Area the BE 1999-2000 has been increased almost threefold from that it was in 1998-99 RE. The explanation given by the Department that the difference between the RE 1998-99 and BE 1999-2000 for Trunk Automatic Exchange and STD and other Trunk Dialing System is only 1.1% and 1% respectively does not convince the Committee. Because the difference, although marginal, is downward and if the cost escalation of equipments and other related things that invariably takes place every year is taken into account, the actual difference would not be as marginal as it has been projected to be. Moreover, replacement of many large size Exchanges with new technology switches, besides catering to the requirement of additional subscribers—the reasons advanced by the Department of phenomenal increase in the BE 1999-2000 for General Area, hold good for Tribal Area as well. The Committee therefore, recommends that the Department should carefully consider the above mentioned facts, assess the present requirement of funds and suitably enhance the Budget provision for Tribal Areas so that important schemes like Trunk Automatic Exchanges and STD and other Trunk Dialing System do not suffer.

#### Reply of the Government

The Recommendations of the Committee are noted. Budget provision for Tribal Areas under the schemes Trunk Automatic exchanges and STD and other trunk dialing system will be suitably enhanced at the RE 1999-2000 stage based on requirement.



**Recommendation (Para 16)**

The Committee further observes that for another important scheme i.e. Optical Fibre Cable System in Tribal Area, the RE 1998-99 was Rs. 43,84,15,000 whereas the BE 1999-2000 has been reduced to Rs. 30,91,96,000. Similarly, for Staff Quarters in Rural Area, the 1999-2000 has been reduced to Rs. 8,60,89,000 from the RE 1998-99 provision of Rs. 10,03,77,000. Reply of the Department that the reduced provision in BE 1999-2000 for both the cases in unintentional, depicts the Department's utterly careless attitude, to say the least and the explanation is wholly unacceptable. Needless to mention, utmost care and attention are warranted while projecting the budget Estimates. The Committee, therefore, cautions the Department to remain alert and suitably set right the mistake at the 1999-2000 RE stage, as assured.

**Reply of the Government**

The Committee's concern is noted. The BE provision under the scheme BB-4(9) Optical Fibre Cable System (Tribal Area) will be suitably increased at RE 1999-2000 stage depending upon actual requirement.

**Recommendation (Para 37)**

The Committee note that during the 8th Plan period the target for VPTs was 3,38,000 whereas the achievement was only 1,93,428 mainly due to time constraint to develop vendor base, non-contribution of Private basic Service providers and the unstable and unreliable nature of the MARR equipments. For the 9th Plan, the target for VPTs has been fixed at 3.3 lakhs out of which DoT has to provide 2.36 lakh and the Private Operators 67,000. But the Committee is concerned to note that the 8th Plan constraints of unstable MARR systems and lack of contribution by the private Operators are still encountered in the 9th Plan. As a result of it, the achievement in this regard during the first two years of the Plan has been only 79,839 out of a target of 1.28 lakh. However, the Committee finds some consolation over the selection of three technologies viz. Wireless in Local Loop (WILL). C-DoT PMP and Satellite for providing VPTs in place of the troublesome MARR technology for providing VPTs. The Committee also draws satisfaction from the Member(s)' submission during evidence that if the private Operators failed to cover the stipulated villages, DoT would be bound to increase its target to cover all the 3 lakh villages during the 9th plan period. Taking into consideration the Department's performance during the first two years of the 9th Plan, the

Committee recommends that the acquisition process of the three new technologies should be accelerated so that not only the unreliable MARR systems are discarded but the Department also gets enough time to make up the earlier slippages. The DoT should also be fully conscious of its social responsibility of providing VPTs to all the villages in case the Private operators fail to discharge their contractual obligation.

#### **Reply of the Government**

By 31st March, 1999, Village Public Telephones had been provided in 3,40,640 villages. Remaining 2,66,851 villages are to be covered by Department of Telecom and basic private operators by March 2002. DoT will provide village public telephones in 1,99,038 villages. The share of basic private operators is 67,818 VPTs. Position is being reviewed at regular intervals. Private basic operators have been asked to give monthly schedule in this regard. However, in case they fail to meet their commitment DoT will endeavour to cover the shortfall.

Procurement process for new technology equipment *i.e.* C-DOT/ TDMA/PMP, Wireless in Local Loop and Satellite systems has already begun. Supply of Satellite system and TDMA/PMP is expected to commence from December 1999 to January 2000. The supply of WILL equipment is likely to commence from March 2000.

#### **Recommendation (Para 39)**

The Committee is distressed to observe that as on December, 1998 out of a total number of 3,09,263 VPTs commissioned, as many as 25,570 VPTs—22,181 in Rural Area and 3,389 in Tribal Area remained out of order and 13,736 VPTs were disconnected due to non-payment of dues. Although the Department has stated to be taking a number of measures like inspection of all VPTs at regular intervals, daily testing of the VPTs. Annual maintenance contracts with the suppliers, supply of vehicles to the remote areas etc. for monitoring the maintenance and fault repair of the VPTs, yet the arrangement in this regard seem to be grossly inadequate in view of the number of VPTs which remained out of order and which were disconnected as on 31 December 1998. Moreover, the Secretary's admission of the unsatisfactory position of maintenance of VPTs and his colleague's submission that on an average 15 per cent VPTs are found faulty at any given point of time due to negligence of maintenance and misuse of battery are matters of concern to the Committee. Further, the Department's achievement in providing VPTs comes somewhere near



2.69 lakh when the number of faulty and disconnected VPTs are taken into account. The Committee, therefore calls upon the Department to further strengthen its monitoring system to ensure that there is no negligence in maintenance and there is no misuse of battery, faults are attended to promptly and directions issued from the Headquarters are invariably adhered to at field level.

#### **Reply of the Government**

It is true that about 15% of VPTs remain out of service at any time due to technical faults, as well as on account of disconnection due to non-payment of outstanding dues. A consolidated list of instructions issued on the subject, has been reiterated to the Chief General Managers of Telecom. Circles *vide* order D.O. No. 12-13/99-ML dated 27.5.99 (Annexure I) for strict compliance/adherence. Recently as per directions of Hon'ble Minister of Communications, a panel of Flying Squads has also been constituted at the headquarters, as well as at Circle/SSA levels, to have a proper vigil over the VPTs remaining faulty for prolonged times. It is hoped that these measures will lead to better telecom service to the rural public.

#### **Recommendation (Para 48)**

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

#### **Reply of the Government**

Quarterly Performance Review Meeting is being held with ITI/HTL to obtain firm commitments for supply of equipment. Advance/Purchase orders are issued in order to give the companies sufficient lead time for preparing their production schedule. In case of failure to supply the equipment within the stipulated delivery schedule, limited extensions of time are being given with a notice to short close the orders thereafter. The Companies themselves have also taken remedial actions like increasing the production capacity, technology transfers for transmission products,



timely actions for procurement of components, redesigning of existing products, reduction in time in adoption of technologies.

**Recommendation (Para 74)**

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

**Reply of the Government**

All efforts are being made to achieve in full the target set for N.E. region for the current financial year.

**Recommendation (Para 75)**

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

### Reply of the Government

The status of various steps taken for countering the problems of unwillingness of employees to be posted in NE region is being watched regularly and proper action is being taken wherever required.

### Recommendation (Para 95)

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

### Reply of the Government

The STD PCO Policy is under constant review. Various improvements are made in the scheme from time to time. During the recent past, the following liberalisation has been made so that more persons come forward to open PCOs:—

- (i) Conferencing facility on STD/ISD PCOs has been permitted.
- (ii) Licence fee on fax machines used in STD PCOs have been removed.
- (iii) Payment of PCO booth by cheques has been allowed in addition to the existing provision of paying the bills by cash/Draft.

### Recommendation (Para 96)

As regards monitoring system devised to protect the consumers from malpractices resorted to by the PCO booth operators, the Committee observes that instructions have been issued and reiterated to the Circle Offices for tanking up periodical inspection of PCOs at least once in every six months besides resorting to surprise checks. The Committee appreciates the steps taken by the Department in this regard. However, it feels that issuance of instructions/guidelines to the field offices has not



had the desired effect as complaints from the public continue to pour in against the malpractices of PCO booth operators. The Committee, therefore, recommends that the Department should strengthen its monitoring system to see that the instructions issued from the Headquarters are followed in letter and spirit in the interest of PCO booth users.

#### **Reply of the Government**

The surprise check reports on PCOs received from various Telecom Circles are constantly being monitored on monthly basis at the Telecom (Hqrs.) level and necessary action preventive and otherwise being taken invariably on the irregularities/malpractices observed.

In continuation of instructions issued vide office circular No. TCHQ/Vig/5/99 dated 7.1.1999, all circle offices vide this office letter No. 17-16/98-VM.I dated 4.6.1999 have been addressed to follow the following additional points while carrying out inspections of PCOs:

- (i) All PCOs should be checked keeping an element of surprise.
- (ii) Surprise checks conducted should not be areas-wise but should be undertaken at random for different areas.
- (iii) However, all PCOs should be covered within the time frame specified earlier.

Besides, it has been instructed that scrutiny and verification of surprise checks and reports thereon conducted at SSA level should be undertaken at the circle level and necessary action, preventive and otherwise taken on irregularities/malpractice observed.

It may, therefore, be seen that the monitoring of checks of PCOs for curbing malpractice/overcharging etc. is being done at three levels viz. SSA level, Telecom, Circle level and Telecom Directorate (Hqrs. Vigilance) level.

#### **Recommendation (Para 110)**

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



whereby subscribers who are faced with bills, which apparently seem to be incorrect, can be granted quick and suitable relief. When a complaint is made, hardly any transparent, if at all, method is adopted to look into the complaint. The harassment faced by such subscribers is too well-known and DoT should take all steps to avoid the same.

#### **Reply of the Government**

Necessary Instructions and guidelines have been issued to all CGMs (Annexure-III).

#### **Recommendation (Para 116)**

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

#### **Reply of the Government**

Necessary instructions/guidelines have been issued to all CGMs for achieving greater satisfaction through making the already established channels more effective by using innovative approaches (Annexure-IV). As regards Public Grievance redressal machinery, all possible efforts would be made to further improve the Customer Services and Public Grievance redressal machinery. Recommendation of the Committee has been noted for further compliance.

**Recommendation (Para 124)**

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

**Reply of the Government**

DoT agrees with the observation of the Standing Committee and the company has been instructed to work hard to improve the performance and productivity of the company by undertaking redressal of the internal deficiencies, such as cutting down wastage of expenditure, material, and time, so as to turn around the company.

**Recommendation (Para 130)**

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

**Reply of the Government**

DoT agrees thankfully acknowledges the observation of the Standing Committee. For the year 1999-2000, the reservation policy for HTL is being continued. Company has also been instructed to keep diversifying its product line to suit the competitive environment.



### CHAPTER III

#### RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DOES NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT

##### **Recommendation (Para 47)**

The Committee is concerned to note that during 1998-99 the achievement in Switching Capacity was 47.92 lakh lines against the target of 49.30 lakh lines. Similarly the achievement in Microwave system was 14,009 RKMs against the target of 19,500 RKMs and for optical Fibre the achievement for the same year was 31,771 RKMs against the target of 35,000 RKMs. Delayed acceptance of Advance Purchase Orders (APOs) by the vendors, delayed supply/non-supply of equipments etc. have been stated to be the reasons for shortfalls in the above mentioned items and this unacceptable plea seems to have become a regular excuse for the Department's non-performance. Notwithstanding the Department's action in imposing liquidated damages in 121 cases and encashment of performance Bank guarantee in 28 cases due to delayed supply and default on the part of the vendors, the Committee would like DoT to strengthen the inspection and monitoring system thoroughly besides streamlining the procedure. Further, the purchasing system should be decentralised without further loss of time to enable regular procurement for meeting the targets fully during the year 1999-2000.

##### **Reply of the Government**

In order to strengthen the inspection and monitoring system, regular coordination meetings are being held between Planning and Material Management Groups to review the requirement of materials. Monthly status of supplies is being insisted upon from the suppliers so as to get uniform supplies during the delivery period of the contract. Progress of material procurement is being monitored every month by Telecom Commission. Vendor rating system has been introduced to give weightage to the delivery performance as well as quality along with the price.

Procurement of 56 items of stores has been decentralised. Review will be undertaken in Sept' 99 for additional items to be considered for decentralisation for 2000-2001.

### Comments of the Committee

(Please See Paragraph No. 14 of Chapter I.)

#### Recommendation (Para 56)

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

#### Reply of the Government

Noted. DoT plans to review its annual plan targets, depending on the extent of private sector participation in Basic Telephone Services and also depending upon the impact on revenue of the revised tariff.

As per the present estimates if DoT is able to provide 20.5 million new telephone connections and private operators provide 3.2 million connections during 9th five year plan (1997-2002) there will not be any gap between demand and supply by 31.3.2002.



The Government has already announced the new Telecom Policy 1999, which should set in momentum for the entry of new operators in to the Basic Services.

**Note:** The para no. 56 above needs correction in the following sentence and the proposed corrected sentence is also given below:—

“Failure of the private operators to provide 2.5 million new connections and a progressive increase in the demand to 17.43 millions against the estimated demand of 13.68 million during the 8th plan period are the two reasons **due to which the target can be achieved in the final year of the 9th plan.**”

**Correction:**

“Failure of the private operators to provide 2.5 million new connections and a progressive increase in the demand to 17.43 millions against the estimated demand of 13.68 million during the 8th plan period are the two reasons **due to which the target could not be achieved during 8th five year plan.**”

#### **Recommendation (Para No. 76)**

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

#### **Reply of the Government**

Following actions have been taken for better progress in providing village public telephones in tribal areas:—

- (i) Coordinating committee comprising two JAG level officers have been set up in all the Circles to monitor progress.
- (ii) New technologies have already been identified and the equipment is being procured.

- (iii) VPTs are proposed to be provided from nearby exchanges on underground cables also. For this during 1999-2000 more number of small capacity exchanges have been planned. Underground cables exclusively for VPTs has also been allotted. In addition, special monitoring of progress in tribal areas is being done now on monthly basis by Telecom Commission.

#### **Recommendation (Para No. 81)**

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

#### **Reply of the Government**

The recommendations, observations and suggestions of the Standing Committee have been brought to the notice of the TRAI for suitable action.

#### **Recommendation (Para No. 97)**

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



publicity. The Committee would also like to be apprised of the number of complaints received and action taken for disconnection of PCOs in other major cities during the last one/two years.

### Reply of the Government

Instructions have been issued to the Circles to give wider publicity to the procedure of registering the complaints against the PCO operators who found to be flouting the rules (Annexure-II). The number of complaints received and the action taken on those in respect of some of the major cities/circles are as under:—

S.No.	Name of the Circle	No. of complaints received	Action taken
1.	Calcutta	120	70 disconnected
2.	Andhra Pradesh	30	11 disconnected
3.	Kerala	333	96 warning issued 4 disconnected
4.	Madhya Pradesh	109	39 disconnected
5.	Maharashtra	126	86 disconnected
6.	Punjab	199	123 disconnected
7.	Gujarat	132	74 disconnected

### Recommendation (Para No. 98)

The Committee is not convinced that coin boxes for PCOs are in short supply. In fact these are manufactured by the captive Telecom Factories which were not getting sufficient orders for them. The idle capacity of Telecom Factories to manufacture coin boxes should be fully utilised. The Committee notes that to overcome the problems of unpopularity of coin type PCOs especially STD and ISD PCOs, the

Department has introduced Virtual Calling Card (VCC) in selected cities and has also decided to introduce Smart Card operated STD/ISD PCOs in nine cities like Delhi, Mumbai, Chennai, Calcutta, Bangalore etc. The Committee would like the Department to explore the feasibility of the introduction of similar facilities in other cities after gaining some experience in their use in the nine cities mentioned above.

#### **Reply of the Government**

The Department of Telecom is fully utilizing the production capacity of Telecom Factories in respect of Coin Boxes. A production programme of 15000 nos. Coin Boxes has been finalised for the year 1999-2000 and requisition for the entire quantity has already been issued by the Chief General Manager, Telecom Stores. Thus, there is no shortage of orders for this item in Telecom Factories. To overcome the problem of unpopularity of coin-type PCOs especially STD/ISD PCOs, the Deptt. has introduced virtual calling card service and smart card operated STD/ISD PCOs in selected cities. Similar facility would be extended gradually to other cities also.

#### **Recommendation (Para No. 99)**

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

#### **Reply of the Government**

The call charges for STD/ISD/local calls have been revised recently keeping in view the ceiling prescribed by the TRAI. As per the revised tariff, the local call charge, from coin type PCOs and attended local PCOs, is Re. 1/- per call. The consumers are expected to make local calls from the local call booths. STD PCO franchises are also allowed to run a local PCO in addition to the STD/ISD PCO. However, in case of emergency and in the event of non-availability of local PCO, the consumers can make local calls from STD PCOs also. The charge for such calls, is Rs. 1.20 per call. A service tax of 5% is also leviable on the call charges in accordance with the directions of Ministry of Finance which makes rounding off difficult. It may also be added that STD PCO cannot distinguish the local & STD call for charging purpose.



**Recommendation (Para No. 108)**

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

**Reply of the Government**

The fault rate depends upon the quality of both internal telephone exchange equipment and external plant consisting of U/G cables, pillars, DPs, Drop wire and telephone instruments. After the replacement of electromechanical exchanges by electronic exchanges, the contribution of faults due to exchange equipment is hardly there and 98.5% of the faults are now occurring due to outdoor plant. Though the department has been simultaneously taking steps to effect improvements in the external plant also like introduction of Jelly filled cable, laying U/G cables in ducts, improving the quality of telephone instruments and drop wire etc. and rehabilitation of the existing plant, but the effect of all these steps is only gradual. That is why the reduction in fault rate is not as sharp now as was earlier. However, DoT has set the Ninth Plan objective of achieving fault rate

of 9.5 and following further steps are being taken for achieving the same:

- (i) Taking cable right up to customer's premises to eliminate drop wire.
- (ii) Computerization of fault repair service in more and more exchanges.
- (iii) Close monitoring of fault rectification at all levels.
- (iv) Introduction of new technologies like wireless in local loop, digital line concentrators, CNE (Second Remote Unit), optical fibre cable etc. With these steps department is quite helpful of achieving the 9th Plan objective regarding fault rate.

#### **Recommendation (Para No. 109)**

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

#### **Reply of the Government**

The following steps have been taken by MTNL to reduce the fault rate:

##### **1. Rehabilitation:**

The existing external plant will be extensively rehabilitated. MTNL is planning to introduce more number of internal DPs to reduce faults it is proposed to replace all stalpeth and paper core cables from the network. Performance of this cable is extremely poor and fault prone. In the current financial year nearly two lakh lines in Mumbai and one lakh lines in Delhi will be rehabilitated which will bring down the fault rate.



## 2. Introduction of Fibre based Technology:

- (i) Digital Loop Carrier (DLC) systems will be inducted in the network for multi-story buildings and high density areas.
- (ii) Second Remote Units (CNE) are also being installed in MTNL, Delhi and Mumbai to cater multi-story buildings and high density areas.

## 3. Introduction of Wireless Technology:

MTNL is inducting in a big way wireless technology in the subscriber network:

- (i) *Cordect*: In this technology existing copper network can be exploited and drop wire will be replaced by wireless loop. MTNL has already placed order for procuring this equipment.
- (ii) *CDMA based technology*: In this technology wireless link is used from switch to the customer premises. MTNL already placed LOI for procuring 50K WLL equipment for MTNL, Mumbai and 1K equipment in Delhi is being shortly expanded to 10K. Beside this tender has been floated for procuring 50K WLL for MTNL, Delhi.

Hence MTNL is taking all possible measures to bring down this fault rate at the earliest. As regards, strengthening of monitoring is concerned, MTNL has made 95% of its FRS fully computerised wherein the movement of fault dockets can be traced by supervisory staff effectively. Units are once again being asked to bring down the fault rate in a time-bound manner by concentrating on rehabilitation in fault prone areas.

### Recommendation (Para No. 123)

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

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

**Reply of the Government**

As already pointed out to the Committee, DoT is already purchasing the entire production of Telecom Factories and the open market vendors supply only balance quantities. Thus, the purchases from the open market are not being done at the cost of Telecom Factories. DoT is fully utilising the capacity of Telecom Factories.

**Recommendation (Para No. 136)**

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

**Reply of the Government**

In addition to provision of Rs. 12.29 crores which has been earmarked for the year 1999-2000 for Telecom Factories to purchase new machines, apparatus and plant, any further requirement of funds will be included in the revised estimates for the year 1999-2000.

BB #13)	BB #11D)	
M.W.R.R. System	Trans System	
138.25	1338.24	Actuals 1997-98
626.97	2802.00	BE 1998-99
372.50	1400.00	RE 1998-99



#### CHAPTER IV

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

#### Recommendation (Para No. 15)

The Committee also notes that for Microwave Radio Relay System in Tribal Area the BE 1998-99 provision of Rs. 38.26 crore was curtailed to Rs. 26.69 crore at the 1998-99 RE stage due to persistent savings under the scheme during the last three years. Similarly, for the same scheme in Rural Area, the BE 1998-99 provision of Rs. 626.97 crore was drastically reduced to Rs. 372.50 crore in the RE 1998-99 due to similar reasons. Now for the year 1999-2000 for the aforesaid scheme the BE has been provided at Rs. 23.31 crore for Tribal Area and Rs. 305 crore for Rural Area. The Committee is not satisfied with the gradual reduction in the Budget provision under the scheme for both Tribal Area and Rural Area more so in view of the importance being accorded to this scheme in recent years. The Committee would, therefore, like to impress upon the Department to ascertain the reasons of persistent savings under the scheme in both Tribal Area and Rural Area and take remedial action thereafter with a view to avoiding fund constraints in the execution of important schemes and for the completion of the same.

#### Reply of the Government

The details of actual expenditure for 1997-98, BE 1998-99 provision, RE 1998-99 provision and the BE 1999-2000 provision against the scheme BB4(3) Microwave Radio Relay System and the Scheme BB4-LD Transmission system are given below:

(Amount in Crores of Rs.)

	BB 4(3) M.W.R.R. System	BB 4-LD Trans System
Actuals 1997-98	226.25	1338.54
BE 1998-99	626.97	2602.00
RE 1998-99	372.50	1600.00
BE 1999-2000	305.00	1571.00

From the above it may be seen that the budget provision in respect of the scheme BB 4(3) MWRR Systems is in line with the increase/decrease in the overall provision under the scheme BB-4LD Transmission Systems. A major reason for the persistent savings under this scheme is non-receipt of equipment as planned. Remedial measures to overcome this situation are being taken. However, subject to availability of equipment, availability of funds shall not be a constraint in implementing important schemes under this head.

**Comments of the Committee**

(Please see Paragraph No. 8 of Chapter I)

**Recommendation (Para No. 38)**

The Committee is perturbed to note the poor performance of Private Operators who have been entrusted with the responsibility of covering 67,000 villages during the 9th plan period. In Madhya Pradesh, the Private Operators could not provide even a single VPT inspite of their contractual obligation of providing ten percent of their installed capacity in rural areas. What is intriguing is the fact that the Department has not prescribed any time limit for taking penal action against the Private Operators for their non-performance. The Committee therefore, enjoins upon the Department to thoroughly review its policy of allotting villages to the Private Operators, make a realistic assessment of the situation and work out an alternative plan to cover all villages by 2002 of its own if Private Operators fall to do so. The Committee also recommends that definite time-limit to fulfil the contractual obligation by the Private Operators should be prescribed and in case of any breach of contract within that stipulated time frame, penal action should be taken against the Private Operators.

**Reply of the Government**

As per the Licence Agreement, the private operators are required to provide a minimum of 10% of their Direct Exchange Lines (DELs) as Village Public Telephones (VPTs). This percentage is to be maintained till all the villages are covered with VPTs. In case of non-fulfilment of this requirement, there is provision for imposition of Liquidated Damages. These provisions of the Licence Agreement are being followed.



### Comments of the Committee

(Please see Paragraph No. 11 of Chapter I)

### Recommendation (Para No. 57)

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

### Reply of the Government

Demand assessment for telephones is done every year at the time of fixing up the targets for annual plans.

### Comments of the Committee

(Please see Paragraph No. 17 of Chapter I)

## CHAPTER V

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

#### Recommendation (Para No. 83)

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

#### Reply of the Government

The suggestion of the Committee to set up a "Telecom Development Fund" is noted. The matter will be placed before the competent authority for decision.

NEW DELHI;  
11 February, 2000  
22 Magha, 1921 (Saka)

SOMNATH CHATTERJEE,  
Chairman,  
Standing Committee on Communications.





सत्यमेव जयते

Government of India  
Department of Telecommunications  
Sanchar Bhawan, 20, Ashok Road,  
New Delhi-110001

B.R. Khurana  
Sr. D.D.G. (ML)

D.O. No. 12-13/99-ML  
Thursday, May 27/28, 1999

Dear Shri

Your kind attention is hereby invited to this office letter No. 12-13/99-ML dated 23.4.99 (a copy enclosed) in which you were requested to supply the relevant information on VPTs for submitting the reply to Standing Committee on Communications—Examination of Demand for Grants. Received reply only from Telecom circles of Gujarat, A&N and Assam. Others are requested to expedite the reply.

2. Again as per the "Thirteenth Report of the Standing Committee on Communications on demands for Grants (1999-2000) relating to the Ministry of Communications (DoT) vide para 39, it was conveyed that large number of VPTs remain out of order due to faults in VPTs in rural areas, tribal areas and also large number of VPTs remain out of order due to non-payment.

3. In view of above you are requested to follow the revised guidelines strictly, already issued from TCHQ as follows:—

- (1) Performance monitoring of Village Public Telephones (revised guidelines) vide No. 55-49/97-MR dated 11th September, 1997.
- (2) Recommendation of M/s. NPC New Delhi conveyed vide d.o. No. 55-40/97-MR(Pt) dated 18.9.98 for (i) introduction of STD facilities on VPTs (ii) regular recording of meter reading. This is reliable indication to check the health of VPTs.

(3) To strengthen the performance monitoring of VPTs, revised formats have been introduced for (a) weekly report (b) monthly report. The monthly report will reflect the uses of VPTs on the basis of earned revenue. Most of the circles have not sent monthly reports which may be expedited.

4. Guidelines have been issued for relocation of VPTs disconnected due to non-payment vide order No. 55-40/97-MR dated 4th May, 98. These guidelines are required to be followed strictly so that the number of VPTs which remain out of order due to non-payment, may be reduced in a time bound programme.

5. Instructions are already in existence to enter into Annual Repair Contract with the suppliers so that the number of faulty VPTs may be reduced progressively.

6. Officers/officials are to be trained in a systematic manner to cope up the maintenance problems of MARR VPTs.

7. Repair Centres should be opened at strategic locations by the circle who have not taken any action so far.

8. SSA Heads should hold meetings with the villagers to dispose off their grievances then and there.

9. Flying Squads at Circle level should be constituted as per this office letter No. 20-63/98-ML dt. 10.5.99 to have a proper vigil over the working of the VPTs.

All the above guidelines/instructions are again reiterated for immediate effective implementation. Action taken and report thereof may kindly be sent to this office immediately.

With regards,

Yours sincerely,

Sd/-

(B.R. KHURANA)

Issued to all CGMTs by name.

Shri  
Chief General Manager,  
Tamil Nadu Telecom Circle,  
Chennai.



(3) To strengthen the performance monitoring of VPLs, revised forms have been introduced for (a) weekly report (b) monthly report. The monthly report will reflect the loss of revenue on the basis of earned revenue. Most of the circles have not sent monthly reports which may be expedited.

ANNEXURE II  
(Para 97)

**MOST IMMEDIATE STANDING COMMITTEE MATTER**



Government of India  
Department of Telecommunications  
Sanchar Bhawan, 20, Ashok Road,  
New Delhi-110001

Dr. D.P.S. Seth  
Sr. DDG (CS)

D.O. No. 16-5/99-PHB.

Dated : 21.5.1999

Dear Sh.

In their 13th report, the Standing Committee on Communications has desired that the procedure for registering complaints against erring booth operators should be given wider publicity.

Further, the Committee has also desired to know the number of complaints received and action taken for disconnection of PCOs in the major cities during the last one/two years.

You are, therefore, requested to take necessary action for giving wide publicity for registering complaints against the erring PCO operators and indicate the number of complaints received and the action taken for disconnection in the major cities of your circle. Such information should be sent to this office latest by 7-6-99 positively. A copy of the para is enclosed for reference.

With regards,

Yours sincerely,

(B.R. KHURANA)

Sd/-  
(DR. D.P.S. SETH)

To

All CGMs.

ANNEXURE III  
(Para 110)

ANNEXURE IV  
(Para 116)

Government of India  
Ministry of Communications  
Department of Telecommunications  
415, Sanhar Bhawan, 20, Ashoka Road, New Delhi-110001

No. 9-45/99-PHA

Dated: 8th July, 1999  
Circular No. 6/99

Sub: Grant of rebate on account of interruption in telephone services.

This has reference to this Sections Letter No. 2-9/96-PHA dated 17.12.1996 regarding adjustment of rentals in case of rebate on account of prolonged interruption of telephone service.

The Standing Committee on Communications on Demands for Grants has observed that the procedure for grant of rebate in the bills on account of prolonged interruption of telephone service needs to be streamlined. Suitable method should be evolved whereby subscribers who are faced with bills which apparently seem to be incorrect, can be granted quick and suitable relief. Customers should also be made aware of it through wide publicity so that the system works in harmony.

In this connection, it is requested that all efforts should be made to make the system as transparent as possible and to reduce the delay which is the major cause of dissatisfaction of the customers. It is further requested that the customers should be made aware of the procedure to be followed by giving wide publicity.

Sd/-

(J.S. TYAGI)  
ADG (PHA-II)

To

All CGMs, Telecom Circles/Telephone Distt.  
CGM, MTNL, Delhi/Mumbai  
CMD, MTNL, New Delhi.

Copy to: TR Section, DoT with the request to take steps to further streamline the procedure in this regard.

Sd/-

(R.S. MALIK)  
SO (PHA)





P.S. SARAN

Member (Services)  
&  
Ex-officio Secy. to Govt.

Government of India  
Telecommunications Commission  
Department of Telecommunications  
Sanchar Bhawan, 20, Ashok Road,  
New Delhi-110001

Tel. No. 3714644

D.O. No. 9-45/99-PHA

Dated the July 7, 1999

My dear

The Standing Committee on Communications on Demands for Grant during their periodical tours have observed that the administrative will is lacking towards raising the overall customer satisfaction level. They have commented that in spite of holding Open House Sessions and Telephone Adalats etc. the level of customer satisfaction continues to be low.

The analysis of the various steps taken and results achieved indicates that the quality of implementation of all these steps and in particular the quality of public inter-action varies from Circle to Circle. There does not appear to be anything wrong in the steps which have been formulated. What is required is proper implementation and involvement of the management of the Circle to oversee the effectiveness of such steps. Recently, a circular has also been sent to all units bringing out the Telecom Commission's decision to go in for setting up Call Centres. Steps may be taken to formulate the proposals for implementing the Call Centres concept and proceed in a time bound manner to achieve the same. However, notwithstanding the availability of Call Centre, personal attention of administrative wing are needed to raise the over all level of customer satisfaction.

I would, therefore, like that you take personal interest in achieving the goal of greater customer satisfaction through making the already established channels more effective and using whatever innovative approaches you can work out within your powers to improve customer satisfaction.

With regards.

Yours sincerely,

Sd/-

(P.S. SARAN)

Shri  
All CGMs, Telecom Circles/Telephone Distt.  
CMD, MTNL, New Delhi  
CGM, MTNL, Delhi/Mumbai  
by name.



## APPENDIX I

### MINUTES OF THE SECOND SITTING OF THE STANDING COMMITTEE ON COMMUNICATIONS (1999-2000)

The Committee sat on Thursday, the 27th January, 2000 from 1500 hours to 1700 hours in Committee Room No. 53, Parliament House, New Delhi.

#### PRESENT

Shri R.N. Arya — *In the Chair*

#### MEMBERS

*Lok Sabha*

2. Shri Ambareesha
3. Shri Mahendra Baitha
4. Shri Nikhil Kumar Chaudhary
5. Shri T. Govindan
6. Shri Jawahar Lal Jaiswal
7. Shri K.K. Kaliappan
8. Dr. C. Krishnan
9. Shri Bhartruhari Mahtab
10. Shri Simranjit Singh Mann
11. Shri G. Ram Mohan
12. Shri A.K. Moorthy
13. Shri K. Balrama Krishna Murthy
14. Shri K.A. Sangtam
15. Shri Saroj Tufani
16. Shri Chandra Vijay Singh
17. Rajkumari Ratna Singh
18. Shri Vinay Kumar Sorake
19. Shrimati D.M. Vijaya Kumari
20. Shri Pawan Kumar Bansal

*Rajya Sabha*

21. Shrimati Veena Verma
22. Shri Balkavi Bairagi
23. Shri Shatrughan Sinha
24. Shri Narendra Mohan
25. Dr. Mahesh Chandra Sharma
26. Dr. Y. Radhakrishna Murthy
27. Shri S. Agniraj
28. Shri Kartar Singh Duggal

## SECRETARIAT

- |                       |   |                           |
|-----------------------|---|---------------------------|
| 1. Shri P.D.T. Achary | — | <i>Joint Secretary</i>    |
| 2. Shri S.K. Sharma   | — | <i>Deputy Secretary</i>   |
| 3. Shri A.S. Chera    | — | <i>Under Secretary</i>    |
| 4. Shri Bhupesh Kumar | — | <i>Assistant Director</i> |

2. As the Chairman was not present, the Committee authorised Shri R.N. Arya, to preside over the Sitting of the Committee Under Rule 258 (3). The Chairperson then, on behalf of the Chairman, welcomed the Members who could not attend the First Sitting of the Committee which was held on 12 January, 2000.

3. The Committee then took up for consideration the following Draft Reports and adopted the same with some amendments/modifications as shown below:—

- |       |   |    |    |    |    |    |
|-------|---|----|----|----|----|----|
| (i)   | **  | ** | ** | ** | ** | ** |
| (ii)  | **  | ** | ** | ** | ** | ** |
| (iii) | Draft Fourth Report on Action Taken by Government on the recommendations of the Committee contained in its Thirteenth Report on Demands for Grants (1999-2000) relating to the Department of Telecommunications, (Annexure 'C') |    |    |    |    |    |
| (iv)  | **  | ** | ** | ** | ** | ** |



4.           \*\*           \*\*           \*\*           \*\*           \*\*           \*\*

5. The Committee then authorised the Chairman to finalise and present the above mentioned Reports to the House.

6. Some of the Members of the Committee suggested that a Sub-Committee may be constituted to consider action taken by Government on those recommendations of the Committee made in its earlier Reports which have been accepted by the Government.

*The Committee then adjourned.*

AMENDMENTS/MODIFICATIONS MADE BY THE  
COMMITTEE IN THE DRAFT FOURTH REPORT

Page No.	Para. No.	Line No.	For	Read
3	8	3	"instead of"	"without linking it with"
3	8	6-8	"which is a major..... ..... as planned"	"as reported by the Department. Availability of funds hardly serves any purpose without procure- ment of equipments as planned"
3	8	10-11	"persistent savings are ..... important areas"	"all the schemes are executed in time"
4	11	last	Add at the end:—	"The Committee would like to be apprised of the action taken against the erring Private Operators."



## APPENDIX II

(Vide Para No. 5 of Introduction of Report)

### ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE THIRTEENTH REPORT OF STANDING COMMITTEE ON COMMUNICATIONS (TWELFTH LOK SABHA)

- (i) Recommendations/Observations which have been accepted  
by the Government:

Paragraph No. 14, 16, 37, 39, 48, 74, 75, 95, 96, 110, 116, 124  
& 130

Total 13

Percentage 43.3%

- (ii) Recommendations/observations which the Committee does  
not desire to pursue in view of the reply of the Government:

Paragraph Nos. 47, 56, 76, 81, 97, 98, 99, 108, 109, 123, 131,  
135 & 136

Total 13

Percentage 43.3%

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

Paragraph Nos. 15, 38 & 57

Total 3

Percentage 10%

- (iv) Recommendations/observations in respect of which replies  
one of the interim nature:

Paragraph No. 83

Total 1

Percentage 3.3%