

CHAPTER – I

REPORT

This Report of the Standing Committee on Information Technology deals with the action taken by Government on the Recommendations/Observations of the Committee contained in its Thirty-Fourth Report (Thirteenth Lok Sabha) on “Demands for Grants (2002-2003)” pertaining to the Department of Telecommunications.

2. The Thirty-Fourth Report was presented to Lok Sabha on 16 April, 2002 and laid on the Table of Rajya Sabha on 24 April, 2002. It contained 41 Recommendations/Observations.

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

(i) Recommendations/Observations which have been accepted by the Government:-
Paragraphs Nos.:- 12, 13, 19, 20, 23, 71, 74, 75, 76, 77, 108, 109, 110, 111, 150, 160, 161, 164, 168, 169 & 170

Total : 21

Chapter-II

(ii) Recommendations/Observations which the Committee does not desire to pursue in view of the reply of the Government:-
Paragraph Nos.:- 35, 70, 72, 73, 105, 106, 123, 139, 140, 141, 149 & 162

Total : 12

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.:- 36, 69, 102, 103, 104 & 151

Total : 6

Chapter-IV

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

Paragraph Nos.:- 107 & 163

Total : 2

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 the recommendations contained in Chapter-V of this Report should be furnished to it at an early date.

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

Financial Support to BSNL

(Paragraph No. – 36)

6. The Committee, in its Thirty-Fourth Report, had observed that without Plan support, BSNL would be able to provide 367.67 lakh DELs against the Tenth Plan target of 430 lakh lines. Thus, there would be a shortfall of approximately 63 lakh lines which would adversely affect the objectives of NTP-99, besides casting a poor reflection on the performance of the Company. The Committee, therefore, recommended DoT to strongly plead for Plan support for BSNL failing which other measures like increase in the five percent component of the USO fund might be taken recourse to.

7. The Department in its Action Taken Notes has stated that it strongly pleaded for providing more support to BSNL from the Government in the Secretary level meeting held on 29 January, 2002 in Planning Commission for finalization of Plan outlay pertaining to 430 lakh DELs. Secretary, Planning Commission did not agree to it on the plea that provision of telephone services either in urban or rural areas, should not be subsidized. However, the case has again been taken up with the Deputy Chairman, Planning Commission by the Minister for Parliamentary Affairs, Communications and Information Technology for providing Plan support to BSNL.

8. The Department has further stated that Universal Service Fund is expected to be made operational in the current year and USO guidelines require operators to bid for the support from Universal Service Fund and implement the VPT/Rural telephony programme accordingly.

9. The Committee is perturbed to note that although the problem of non-availability of adequate resources in the aftermath of the corporatisation of BSNL was well apprehended and assurances were given that adequate financial provisions would be made for the Company, the same have not yet materialised. Rather things have come to such a pass that approximately 63 lakh DELs have to be sacrificed by the Corporation for lack of adequate financial support. However, since the matter has been taken up by the Minister himself with the Deputy Chairman, Planning Commission for providing Plan support to BSNL and also in view of the fact that Universal Service Fund is expected to be made operational in the current year, the Committee trusts that BSNL will get adequate financial support for carrying out the socially desirable and economically unviable activities of providing VPTs/Rural telephony that have been undertaken at the behest of the Government. The

Committee further desires that the increase in the five percent component of the Universal Service Fund be explored so that the viability of BSNL does not get impaired while implementing the VPT/Rural telephony programme.

Non-fulfillment of Contractual Obligations by the Private Basic Service Operators

(Paragraph Nos.: 69, 103 & 104)

10. In its Thirty-Fourth Report, the Committee had observed that against an initial obligation of 98,000 VPTs, the Private Operators have been asked to provide 50,000 VPTs before the end of the year 2002. In view of the fact that the Private Operators had preferred to pay one time liquidated damages of Rs. 53 crore rather than honouring their contractual obligations and DoT after collecting the liquidated damages, left it to the sweet will of the Private Operators whether to provide VPTs or not, the Committee apprehended whether the Private Operators would fulfill even the reduced contractual obligation. The Committee further observed the assurance of the Secretary, DoT that some drastic measures would be taken against the Private Operators if they did not come out with specific and concrete proposals for provision of VPTs by the end of June, 2002. The Committee recommended DoT to finalise stringent measures for extracting performance from the Private Operators within a definite time frame.

11. The Department in its Action Taken Notes has stated that payment of liquidated damages does not absolve the Private Operators of the performance of their committed contractual obligation. The Department has further stated that after opening of basic telephone services to unrestricted entry and increase of competition, the number of VPTs provided by Private Operators have started increasing significantly. To substantiate it, the Department has cited that as on 1 August, 1998 the Private Basic Operators provided 5 VPTs only whereas as on 31 May, 2002 it has increased to 1265. However, since their achievements are falling too short of their commitments, the Private Basic Operators have been asked to complete their unfulfilled targets by the end of December, 2002 failing which the Department of Telecom as Licensor shall be constrained to consider taking action against them under the provisions contained in their license agreement which include termination of license as well. The Department has also stated that BSNL

can not be expected to perform on behalf of private operators without getting suitable compensation as BSNL is a commercial organisation and has to compete with the Private Operators under level playing conditions only.

12. The Committee notes that as on 31 May, 2002 the Private Basic Operators have provided only 1,265 VPTs. The Committee is not at all impressed by the Department's contention that it is a significant increase in view of the position in 1998 when they had provided only 5 VPTs because of the fact that they were required to provide 50,000 VPTs against an initial Obligation of 98,000 VPTs in the first three years of the Ninth Five Year Plan. Such an insignificant achievement of the Private Basic Operators even after a span of six/seven years cannot be termed satisfactory. The deadline for compelling them to honour the licensed agreement has been extended on several occasions, apparently without any positive outcome. This time the ultimatum has been extended upto December, 2002, but the Committee is still apprehensive whether by that time any significant contribution would be extracted from the Private Operators who have already preferred paying liquidated damages rather than going in for rural telephony/VPT programme. In the post-corporatised scenario, it is true that BSNL can not be expected to share the burden of Private Operators without getting suitable compensation and all operators have to perform under level playing conditions. Therefore, if anybody has to ensure a level playing condition for all the operators and to see that BSNL does not have to shoulder the burden of Private Operators, it is only DoT. That can be ensured only if the Private Operators, who have so far grossly failed to honour their contractual obligation, are made to perform consistent with the legitimate aspirations of the rural populace failing which stringent measures, under the provisions contained in their license agreement, including cancellation thereof be initiated against them.

Provision of WLL services

(Paragraph No.: 70)

13. The Committee in its Thirty-Fourth Report had desired that WLL services should be introduced in all the Telecom Circles with a view to covering rural, remote and hilly areas.

14. The Department in its Action Taken Notes has stated that BSNL has already initiated action for procurement of equipment for provision of WLL services in all the Telecom Circles in the country. However, provision of such services in J&K and the North-Eastern circles would be possible only after Standing Advisory Committee on Frequency Allocation (SACFA) clearance is obtained.

15. In view of the fact that Standing Advisory Committee On Frequency Allocation (SACFA) clearance has recently been obtained for J&K and North-Eastern circles, the Committee trusts that WLL services will soon be introduced there as people of the hilly and difficult terrains have already suffered too long for want of basic and proper telephone facilities.

Non-achievement of target in VPTs

(Paragraph No.102)

16. In its Thirty-Fourth Report the Committee has expressed its dissatisfaction over the oft-repeated reasons like delay in supply of equipment, inaccessibility of some villages etc. for non-achievement of target in VPTs in the year 2001-2002 when against a target of 1,44,000 VPTs BSNL had been able to provide 70,751 VPTs. The Committee recommended that DoT/BSNL should take advance measures every year for timely procurement of equipment so that targetted VPTs could be provided.

17. The Department in its Action Taken Notes has stated that BSNL has planned to provide VPTs in the remaining villages by June-July 2002 excluding 18045 villages which are to be covered using satellite. It does not include VPTs in Assam, J&K and North-Eastern States which can be provided only after STANDING ADVISORY COMMITTEE ON FREQUENCY ALLOCATION clearance is received. The Department has further stated that Satellite based VPTs are planned to be provided by December, 2002 subject to availability of equipment and funds for which the matter is being pursued with the concerned nodal Departments/Organisations. It has also been stated that steps have been initiated to make available the required material for meeting the VPT targets.

18. The Committee is highly concerned to note that every year non-availability of equipment in time has been stated to be one of the major reasons for non-achievement of target in VPTs. The Committee has always been emphatic during all these years that advance measures should be contemplated for timely procurement of equipment so that VPT programme does not suffer. But it is apparent that its recommendations in this regard have not got the desired attention, otherwise this procedural hazard could have been overcome long ago. The Committee once again impresses upon the Department/BSNL to streamline the procedure for procurement of equipment so that the target for VPTs is achieved for the benefit of the rural population.

19. The Committee learns that recently Standing Advisory Committee on Frequency Allocation (SACFA) clearance has been obtained for smooth provision of telephone facilities in Assam, J&K and North-Eastern States. The Committee trusts that now BSNL will earnestly speed up its VPT programme in these areas. Further, as the provision of Satellite phones in 18045 villages is dependent upon availability of funds and equipment, the Committee would like DoT to vigorously pursue the matter at appropriate levels so that inaccessible villages are not deprived of VPT facilities.

Non-achievement of target in North-Eastern Region and Tribal Sub-Plan

(Paragraph No. 123)

20. In its Thirty-Fourth Report the Committee was quite concerned at slippages in Switching Capacity, DELs and VPTs in both North-Eastern Region and Tribal Sub-Plan. The Committee recommended for some corrective measures.

21. The Department in its Action Taken Notes has stated that in respect of Switching Capacity and DELs, the target for TSP have almost been achieved and for North-East Region, the shortfall in DELs is due to delay in availability of infrastructure. Shortfall in VPTs in both the areas has been mainly due to non-availability of Standing Advisory Committee on Frequency Allocation clearance and equipment for Satellite VPTs.

22. Now that the Standing Advisory Committee on Frequency Allocation (SACFA) clearance has been obtained, the Committee trusts that VPT programme in the North-East and Tribal Sub-Plan areas will be speeded up. The Committee further desires that all out efforts be made for timely procurement of equipment and infrastructure for smooth installation of VPTs in both the areas.

Fault Rate

(Paragraph No.: 151)

23. In its Thirty-Fourth Report the Committee had observed that fault rate in Delhi was as high as 29.07 per 100 phones in 1999-2000, 28.44 in 2000-2001 and 21.28 in

2001-2002. As the fault rate in Delhi Circle was the highest in the entire country, the Committee recommended further strengthening of the measures taken to curb the fault rate in Delhi with greater emphasis on attitudinal changes in the behaviour of MTNL employees.

24. The Department in its Action Taken Notes has stated that the fault rate in Delhi is having a downward trend and the average fault rate for first two months of the year 2002-2003 was 19.58 per 100 stations. Further, MTNL is making continuous efforts to upgrade the outdoor plant to reduce the fault rate in Delhi and has set target to bring down the fault rate in Delhi to 17 per 100 telephones during the current financial year.

25. The Committee is extremely unhappy to note the high fault rate in Delhi. Department's contention that fault rate in Delhi is having a down ward trend is of little consolation in view of the fact that it is still as high as 19.58 per 100 telephones, perhaps still the highest in the country. The Committee, therefore, desires that the measures already initiated for bringing down the fault rate in Delhi be intensified further with specific emphasis on attitudinal changes in the mindset of MTNL employees so that telephone faults in Delhi are attended to and rectified accordingly with a sense of responsibility.

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