

**COMMITTEE  
ON  
GOVERNMENT ASSURANCES  
( 1990-91 )**

**( NINTH LOK SABHA )**

**SIXTH REPORT**

*( Presented on*

4 Sep 1990 )



**LOK SABHA SECRETARIAT  
NEW DELHI**

*July, 1990/Sravana, 1912 (Saka)*

*Price : Rs. 2.00*

CORRIGENDA  
to  
the Sixth Report of the Committee on  
Government Assurances (1990-91).

(Ninth Lok Sabha)

Page No.	Para No.	Line No.	Correction
(iii)	Third item of foot note	3	<u>for</u> 'Government' <u>read</u> 'Government'
(v)	3	2	<u>for</u> 'evidences' <u>read</u> 'evidence'
3	8	23	<u>for</u> 'presenred' <u>read</u> 'presented'
4	10	3	<u>for</u> 'th' <u>read</u> 'the'
4	10	4	<u>for</u> al As' <u>read</u> 'all as'
4	12	5	<u>for</u> 'finald ecision wast aken' <u>read</u> 'final decision was taken'
7	19	10	<u>for</u> 'ihe' <u>read</u> 'the'
7	19	22	<u>for</u> 'reviewed the' <u>read</u> 'reviewed by the'
8	21	3	<u>for</u> 'berready' <u>read</u> 'be ready'
8	23	13	<u>for</u> 'Mach' <u>read</u> 'March'
9	26	3	<u>for</u> 'snbmitted' <u>read</u> 'submitted'
		5	<u>for</u> 'production-- technology' <u>read</u> production, technology'
10			<u>delete</u> 'CONFIDENTIAL'
12			<u>delete</u> 'CONFIDENTIAL'

# CONTENTS

	<b>PAGES</b>
<b>COMPOSITION OF THE COMMITTEE.....</b>	<b>(iii)</b>
<b>INTRODUCTION.....</b>	<b>(v)</b>
<b>REPORT.....</b>	<b>1</b>

## MINUTES

<b>Minutes of sitting held on 5 April, 1989.....</b>	<b>10</b>
<b>Minutes of Sitting held on 5 March, 1990.....</b>	<b>12</b>
<b>Minutes of Sitting held on 30 July, 1990.....</b>	<b>18</b>

# MEMBERS OF THE COMMITTEE ON GOVERNMENT ASSURANCES\*

(1990-91)

Dr. Vijay Kumar Malhotra—*Chairman*

2. Smt. Subhashini Ali
3. Shri Het Ram
4. Shri Kamal Nath
5. Shri Mahabir Prasad
6. Dr. Mahadeepak Singh Shakya
7. Shri Haribhau Shankar Mahale
- \*\*\*8. Shri V. Krishna Rao
9. Shri Kusuma Krishnamurthy
- \*\*\*10. Dr. P. Vallal Peruman
11. Shri Amar Roy Pradhan
- \*\*\*12. Shri Sanford Marak
13. Shri C. Srinivasan
14. Shri Ramji Lal Suman
- \*\*15. Shri Surya Narain Yadav

## SECRETARIAT

1. Shri C.K. Jain—*Additional Secretary*
2. Shri S.C. Gupta—*Joint Secretary*
3. Shri Jyoti Prasad—*Under Secretary*

---

\* The Committee was nominated by the Speaker w.e.f. January 19, 1990 *vide* para No. 125 of Lok Sabha Bulletin Part-II dated 19 January, 1990.

\*\* Nominated by Speaker w.e.f. 17 July, 1990 *vice* Shri Bhajaman Behera ceased to be a Member of the Committee consequent on his appointment as Minister of State w.e.f. 21 April, 1990, *vide* para No. 611 of Lok Sabha Bulletin Part II dated 17 July, 1990.

\*\*\* Nominated by Speaker w.e.f. 8 August, 1990 *vice* Sarvashri J.P. Agarwal, Dr. Debi Prosad Paul and P.K. Thungan resigned from the Membership of the Committee on Government Assurances, w.e.f. 7 August, 1990, *vide* para No. 680 of Lok Sabha Bulletin Part-II dated 8 August, 1990.

## INTRODUCTION

I, the Chairman of the Committee on Government Assurances, as authorised by the Committee, do present on their behalf this Sixth Report of the Committee on Government Assurances.

2. The Committee (1990-91) were constituted on 19 January, 1990.

3. The Committee (1989-90) at their sittings held on 5 April, 1989 took the evidences of the representatives of the Ministry of Communications in connection with the non-implementation of the assurance given on 28 February, 1984 in reply to Starred Question No. 43 regarding National Communications Policy. The Committee (1990-91) again took evidence of the representatives of the Ministry of Communications in this regard on 5 March, 1990. The Committee considered and adopted the draft Sixth Report at their sitting held on 30 July, 1990.

4. The Minutes of the aforesaid sittings of the Committee form part of this Report.

5. The conclusions/observations of the Committee are contained in paras 13 and 26 of this Report.

6. The Committee wish to express their thanks to the officials of the Ministry of Communications who appeared before the Committee.

NEW DELHI ;

July, 30 1990

Sravana 8, 1912 (Saka)

DR. VIJAY KUMAR MALHOTRA,

Chairman,

Committee on Government Assurances.

*National Communication Policy*

On 28 February, 1984, Shri Chintamani Panigrahi and Prof. Narain Chand Parashar, MPs addressed the following Starred Question No. 43 to the Minister of Communications :

- “(a) whether Government have a proposal to adopt a national policy on communications ;
- (b) if so, the details thereof and when such national policy is expected to be adopted; and
- (c) the steps taken to expedite the introduction of such a National Communications Policy ?”

2. In reply to the question, the then Minister of State for Communications (Shri V. N. Gadgil) stated as follows :

- “(a) yes, Sir,
- (b) A policy paper is under preparation.
- (c) The policy will be basically a guideline for formulation of the plans of various Departments like Communications, Information & Broadcasting etc. No specific steps at present are proposed other than this.”

3. During the course of supplementaries on the question, Shri Chintamani Panigrahi, M.P. wanted to know the main recommendations of the various conferences and seminars held during the World Communications Year for improvement of the Indian Telecommunication system and whether the Government of India had accepted any of the major recommendations. He also desired to know the main policy decisions that the Government would like to take so far as the national communication policy was concerned.

4. In reply to the above supplementary, the Minister of State in the

Ministry of Communications stated :

"1983 was celebrated as the World Communications Year at the instance of the United Nations and as a part of those celebrations many discussions and seminars were held, many agencies like the Chambers of Commerce, Members of Parliament, Consultative Committees, were consulted some ideas were thrown up, but as it pertains and affects many Ministries, like Electronics, Industries, Railways, Defence, we would like to obtain their views and after obtaining the views of the departments concerned, the statement will be finalised. I hope to present it in the next session of Parliament."

5. The above reply to the supplementary was treated as an assurance and the assurance was required to be fulfilled by the Ministry of Communications (Department of Telecommunications) within three months of the date of reply i.e. by 27 May, 1984.

6. The Committee (1989-90) at their sitting held on 5 April, 1989 took evidence of the representatives of the Ministry of Communications. Asked about the reasons for the delay in implementing the assurance the Secretary of the Ministry stated :

"We have made a draft of the Communication Policy and it was circulated to the Consultative Committee of Parliament on 8.5.1988. After that some more changes have taken place. After the Telecom. Commission takes a shape, we would like them to have a look at the policy to be implemented in the next 10 years or so. Let Telecom. Commission also apply their mind. After that it will go to Cabinet for approval and then it would be submitted to Parliament."

7. As the assurance remained unfulfilled, the Committee again took evidence of the representatives of the Ministry of Communication at their sitting held on 5 March, 1990.

8. In a background brief furnished to the Committee on 26 February, 1990 the Ministry of Communications had stated :

\*\*

\*\*

\*\*

"Initially, efforts were made to prepare a draft of a comprehensive National Communication Policy in consultation with the Department of Posts, Ministry of Information and Broadcasting, Department of Electronics and Department of Science & Technology. At the same time, there was some uncertainty about the extent of investible

resources that could be made available for development of telecommunications. The matter was under discussion/consideration at various stages with the Ministry of Finance and Planning Commission. It was also noted that the Ministry of Information & Broadcasting and Department of Electronics presented their own policy papers to the Parliament. There was some delay in completing this task due to organisation changes contemplated for the Telecommunications.

The case was discussed in the Telecom Board in its meeting held in June, 1987 and the Board felt that the proposed Policy should be confined to the Telecommunications and the Department of Posts could prepare its own paper separately.

Accordingly, a revised draft was prepared and approved by the then Minister of Communications in March, 1988. The policy Paper was also circulated on 8.5.1988 amongst members of the Parliamentary Consultative Committee attached to the Ministry of Communications. Having received no comments from any of the members of the Committee, the draft policy was being processed for the Government's approval.

Meanwhile, consequent on the changes in the organisational structure of the Department of Telecommunications and formation of the Telecom Commission, it was felt that the proposed National Telecom Policy should be presented to the Telecom Commission for its consideration and approval after which the same could be resubmitted to the Minister of Communications.

The Commission has deliberated over the National Telecom Policy issue on a few occasions and found that the following important aspects have a bearing on the formulation of this Policy :

- 1) Induction of high technology and development of sophisticated products into the network.
- 2) Growing demands from the public for a variety of services including value-added services like facsimile, video-conferencing, data communications, etc.
- 3) Extension of the telecommunication facilities far and wide across the country especially into the rural areas in a cost effective manner, and



- 4) A high level of investments for which ways and means have to be found for working out a viable yet meaningful Communication Policy.

For meeting the above objectives as well as to live up to the aspirations of a growing and dynamic society, the policy needs further fine-tuning and the matter is being discussed accordingly in-depth. After finalisation, the proposed Policy will be submitted to the Minister of Communications before placing it on the Table of the Parliament."

9. During the evidence, when asked about the reasons for delaying implementation of the assurance, the Secretary of the Ministry of Communications stated :

"I accept the blame. It is not fair to take five years. I do not think that there is any excuse for it. We should not have taken five years. The fact is that it has taken five years. I want to make sure that now we will finalise it."

10. In reply to another Question, the representative of the Ministry stated :

"It (Telecommunication Policy) has been discussed extensively at various forums in Telecom Department. We have a rough draft with us now. We had serious discussion even the last week with the Commission Members. We are trying to make it readable by all. As it is, it is a highly complicated technical draft. We have got a copy and we will put it before Parliament in this Session."

11. When the Committee asked by what time, the assurance on the National Communications Policy was going to be fulfilled, the witness stated that it would be laid on the Table of the House during the Budget Session so far as their part was concerned. The witness further stated :

"The Electronics Department has come with its Electronics Policy, the Department of Science and Technology it also coming out with a separate policy. We are bringing out a National Telecommunications Policy only."

12. The assurance has however remained unfulfilled. In a recent communication received from the Ministry of Communications on 28 May, 1990 the Ministry have sought extension of time upto 15 August, 1990 on the ground that the draft policy paper was under consideration and it would take more time before a final decision was taken.

13. The Committee are extremely unhappy to note the inordinate delay in the formulation of a National Telecommunication policy. It was way back in February, 1984 that the Minister informed Lok Sabha that Government proposed to adopt a national policy on Communications and a policy paper in this regard was under preparation. In fact he hoped to present it in the next session of Parliament. The matter, was however, allowed to drift thereafter and the National Telecommunication policy has not been finalised even after the lapse of more than six years since then.

During the evidence before the Committee on 5 March, 1990 the Secretary of the Ministry of Communications promised to lay the policy on the Table of the House during the Budget Session. It is however yet to be finalised and the Ministry have now sought further extension upto 15 August, 1990 to implement the assurance. Such inordinate delays in implementing the assurance on important matters is a sad reflection on the system of functioning of Government and is indicative of the scant regard shown to the assurance given by the Minister on the floor of the House. The Committee need hardly emphasise the importance and urgent need for the formulation of the National Telecommunication Policy. The matter should be reviewed at the highest level in the Government with a view to finalise the policy paper at the earliest to end the uncertainty in this regard.

## *II. Setting up of ESS III and ESS IV Units of Indian Telephone Industries*

14. On 24 February, 1987, Shri V. S. Krishna Iyer, M. P. addressed the following Starred Question (No. 4) to the Minister of Communications :

- “(a) whether there is any proposal to set up electronic switching system III and electronic switching system IV units of Indian Telephone Industries;
- (b) If so, the places where these are proposed to be set up;
- (c) whether all the existing employees of Indian Telephone Industries will be absorbed in the proposed units;
- (d) whether fresh recruitments are to be made; and
- (e) when will be proposed units be set up ?

15. In reply to the question, the then Minister of Communications (Shri Arjun Singh) stated as follows :

- “(a) No, Sir.

(b), (c), (d) and (e) :

Do not arise.

16. During the course of supplementaries on the question, Shri V. S. Krishna Iyer, M. P. wanted to know the requirement of the country as regards electronic equipments and whether Mankapur was able to cope-up with the situation. the Minister of Communications *inter-alia* stated :

“A Committee has been formed. They are looking into the pros and cons of this. Mr. Krishnamoorthy, Chairman SAIL, is the Chairman of that Committee. After we get their report, we shall be able to take the firm decision of the Government on it.”

17. The above reply to the supplementaries was treated as an assurance and required to be fulfilled by the Ministry of Communications by 24 May, 1987.

18. As the assurance remained unfulfilled, the Committee took oral evidence of the representatives of the Ministry of Communications at their sitting held on 5 March, 1990.

19. In a background note furnished to the Committee on 26 February, 1990 the Ministry of Communications have stated as follows :

\*\*

\*\*

\*\*

“The High Power Committee set up under the Chairmanship of Shri Krishnamoorthy, Chairman, SAIL, to examine the requirements of telecom. equipment upto the year 2000 AD submitted its report in October 1987. The report of the Committee was examined in detail.

The Committee has recommended establishment of 3 additional units of ESS production during the years 1990-95. It has recommended that 2 of these units might be set up at Bangalore and the third one at Rae Bareli and each unit should have annual production capacity of 5 lakh lines.

The Government has already permitted I.T.I. to produce electronic switching systems upto 5 lakh lines per year at Bangalore in place of electro-mechanical systems. It has also been proposed to produce these systems based on indigenous technology.

In addition, Govt. has also permitted ITI (Rae Bareli) to produce ESS systems with rated capacity of 3 lakh lines per year.

As a variety of issues needed to be addressed before taking a final decision, Cabinet Secretary was approached in December, 1988 for setting up an inter-departmental working Group to consider the following issues :

- (i) The use of C-DOT technology at Bangalore for second ESS factory.
- (ii) Setting up a production unit for large electronic exchanges at Rae Bareli to match the phasing out of the production of electro-mechanical exchanges.
- (iii) Use of advanced E-10B system technology for Rae Bareli unit.
- (iv) The management structure for the ESS production Unit at Rae Bareli.
- (v) Assured availability of components needed for ESS production.

The Cabinet Secretariat subsequently advised that these issues may be posed to the Telecom Commission which was then in the process of formation.

The Telecom Commission was formed in May, 1989. The policy with regard to the production of switching equipment by the telecom sector as a whole was reviewed the Telecom Commission and Telecom Commission has decided that a comprehensive policy paper to reach a production schedule of 2 million lines per year may be prepared."

20. During the evidence, when the Committee enquired about the reasons for the delay in implementation of the assurance, the representative of the Ministry stated :

"We have been discussing this (in Telecom Commission) for almost six months. We have looked at various alternatives. We have for quite sometime decided that the second factory will be at ITI. The technology will be indigenous. We are awaiting for the C-Dot Evaluation Committee Report to come out. As soon as it comes out, we shall take the final decision."

21. When the Committee enquired about the expected date of the C-Dot Evaluation Committee Report, the representative stated that it was supposed to be ready by 28 February, and now, it was expected to be ready by 22 March, 1990.

22. When the Committee enquired about the time by which the Evaluation Report would be implemented after its receipt, the witness stated :

“The Evaluation Report according to me cannot be made available in few weeks. We will be able to say more within four to eight weeks after the report is ready. Our problem today is to assess the requirement of small exchanges and medium size exchanges. We are also trying to install exchanges which will earn more revenue earlier in the VIII Plan. Then we need not go to the Planning Commission for any additional budgetary support. Our goal is that by the end of Eighth Plan we should not need any support from the Planning Commission. We are also trying to generate more internal revenue. For example, in the next year we will be able to generate Rs. 3000 crores in internal revenue.”

23. Asked whether the Telecom Department was going to change the whole telephone system, the witness stated :

“The Telecom system consists of three parts. We have the telephone instrument, telex or fax which is an essential device, which generates information and receives information. We have transmission equipment, whether it is optical fibre or satellite or whether it is ordinary wire and cables. Then we have switching equipment. For example, we have 10000 lines coming into an exchange to connect one line to to the other line. So far we have been importing switching equipment for almost forty years. We set up a plant in Mankapur for digital switching using French technology. We are now developing our digital technology at C-Dot. The 3 year field trial was selected in 1987. It will go in for production by March 1990. For all kinds of reasons, we have miscommunicated the timing for productionization. In the meantime we have developed PABX. Thirty manufacturers are already producing it. We have small rural exchange also. Ten manufacturers are producing this. So, we have been creating infrastructure in the country for local components, local assembly and local test capabilities. Now for large exchange, we will use the same infrastructure. The final and integration test would be done by ITI for large systems. This will give us ability to build on our own indigenous capability using our new technology for the next decade.”

24. When the Committee desired to know the chances of availability of telephone connections to all the people on the waiting list, the witness stated :

“In a country of 800 million people, we will still have this problem. I do not think that we can ever meet the growing demand. We are going to provide 5 million lines more in the 8th Plan. We perhaps need 20 million lines for 1 billion people by the year 2000 for minimum connectivity. Our traffic is so high.”

25. The Ministry had sought extension of time upto 23 April, 1990 for its implementation. The assurance, however, still remains to be fulfilled.

26. The Committee view with great concern the inordinate delay in implementing the assurance given more than three years ago, in February, 1987. They regret to note that although the Krishnamoorthy Committee submitted its report in October, 1987, no final decision has yet been taken on the various issues in regard to production technology and management structure for the new units to be set up for production of electronic switching system. This lack of decision has badly delayed the establishment of additional production facilities and would seriously affect the achievement of the target of five million additional lines during the Eighth Five Year Plan. The Committee, therefore, urge that the decision in this regard should be taken without any further loss of time.

The Committee are also unhappy that neither the assurance has been fulfilled nor any further extension of time beyond 23 April, 1990 sought for its implementation. The Ministry should seek further extension of time considered to be minimum necessary for implementation of the assurance.

NEW DELHI :

30 July, 1990

8 Sravana, 1912 (Saka)

DR. VIJAY KUMAR MALHOTRA

Chairman,

Committee on Government Assurances

**MINUTES**

**TENTH SITTING**

*Minutes of the sitting of the Committee on Government Assurances held on 5 April, 1989 in Room No. 63, Parliament House, New Delhi.*

---

The Committee met on Wednesday, 5 April, 1989 from 16.15 hours to 18.15 hours.

**PRESENT**

Prof. Narain Chand Parashar—*Chairman*

**MEMBERS**

2. Shri Bapulal Malviya
3. Dr. A.K. Patel
4. Shri Bhola Raut
5. Shri Ramashray Prasad Singh
6. Shrimati Shanti Devi
7. Shri Kamla Prasad Singh
8. Shri Mahabir Prasad Yadav

**SECRETARIAT**

1. Shri C.K. Jain—*J.S. (C)*
2. Shri S.C. Gupta—*Deputy Secretary*

*Witness Examined*

**Shri Satya Pal—Secretary, Ministry of Communications (Deptt. of Communications) New Delhi**

2. The Committee took evidence of the representations of the Ministry of Communications regarding non-implementation of the assurances given in reply to Unstarred Question Nos. 2420/29.11.88, 1905/9.8.88, 1996/10.3.87, 1080/3.3.87, 3447/6.12.88, 9092/5.5.87 and Starred Question No. 43/28.2.84.

3. At the outset, the Chairman draw the attention of the witnesses to Direction 58 of the Directions by the Speaker whereunder their evidence could be treated as public and was liable to be published unless the witnesses specifically desired that all or any part of the evidence given by them was to be treated as confidential.

\*\*\*

\*\*\*

\*\*\*

*Assurance given in reply to Starred Question No. 43 on 28.2.1984.*

26. On being pointed out that the assurance regarding National Communication Policy has been pending for more than five years, the Secretary, Ministry of Communications stated :—

“We have made a draft of the communication policy and it was circulated to the Members of the Consultative Committee of Parliament on 8.5.1988. After that, some more changes have taken place. After the Telecom. Commission takes a shape, we would like them to have a look at the policy to be implemented in the next 10 years or so. Let Telecom Commission also apply their mind. After that it will go to Cabinet for approval and then it would be submitted to Parliament.”

27. The Committee desired that a copy of the draft policy may be furnished to them and also their policy papers regarding opening of PCOs and Hexagons etc. The representative of the Ministry also promised to furnish details of steps taken in chronological order for finalising the paper on communication policy, as desired by the Committee.

\*\*\*

\*\*\*

\*\*\*



MINUTES

THIRD SITTING

*Minutes of the third sitting of the Committee on Government Assurances held on 5 March, 1990, in Committee Room 'C' Parliament House Annexe, New Delhi.*

The Committee met on Monday, the 5 March, 1990 from 16.00 hrs to 17.45 hours.

PRESENT

1. Dr. Vijay Kumar Malhotra—*Chairman*

MEMBERS

2. Smt. Subhasini Ali
3. Shri Bhajaman Behera
4. Shri Het Ram
5. Shri Mahabir Prasad
6. Dr. Mahadeepak Singh Shakya
7. Shri Kusuma Krishnamurthy
8. Shri Amar Roy Pradhan
9. Shri Ramji Lal Suman
10. Shri C. Srinivasan

SECRETARIAT

1. Shri C.K. Jain—*Joint Secretary*
2. Shri S.G. Gupta—*Director*
3. Shri Jyoti Prasad—*Under Secretary*

\*\*\*

\*\*\*

\*\*\*

MINISTRY OF COMMUNICATIONS

1. Shri S.G. Pitroda, Secretary (Telecom)
2. Shri B.S. Murthy, Member (Productions)
3. Shri A.S. Wakhle, Member (Services)
4. Shri B.N. Bhagwat, Secretary (Telecom Commission)
5. Shri M.G. Joshi, DDG (TP)
6. Shri Y. Muthuswami, DDG (Production)
7. Shri Bata K. Dey, Joint Secretary (A&P)

2. At the outset, the Chairman draw the attention of the witnesses to Direction 58 of the Directions by the Speaker whereunder their evidence could be treated as public and was liable to be published unless the witnesses specifically desired that all or any part of the evidence given by them was to be treated as confidential.

\*\*\*

\*\*\*

\*\*\*

The Committee then took evidence of the representatives of the Ministry of Communications (Department of Telecommunications) regarding non-implementation of assurances (i) given on 28.2.1984 in reply to Starred Question No. 43 about National Communication Policy and about the assurance given on 24.2.1987 in reply to Starred Question No. 4 about setting up of ESS III and ESS IV units of Indian Telephone Industries.

*Assurance regarding National Communications Policy (SQ No. 43 dated 28.2.1984)*

Regarding the reasons for delay in implementation of the assurance regarding National Communications Policy, the representative of the Ministry of Communications (Department of Telecommunications) stated :

“We have two issues in front of us today. The first one is regarding the National Communications Policy. This started as a result of discussions during 1983 which was declared as the World Communication Year and thereafter we have been celebrating the World Communications Day on the 17th May every year. As a result of this a lot of people started working about a need for the National Communications Policy. At that time, the thinking was not very clear about the Communications Policy. Because the Department of Posts, the I&B Ministry and other media related issue were also to be considered. We had several meetings with the Department of Posts, I&B, Department of Science and Technology, and all the other concerned Ministries. We could not really come to a consensus on what kind of a Communications Policy we should evolve at that time. There were delay also because of many organisational changes. Anyway, it was decided that we should separate Telecom from other policies and that we should concentrate on Tele-communication policy. We may not able to include all the other areas. We were also waiting for the constitution of the Telecom Board. The Telecom Board was formed in 1988 and many members of the consultative committee attached to the

Ministry of Communications were there on it. We did not receive any formal comments on it but we prepared a draft for Government's approval. Thereafter it was decided that we will have the Telecom Commission. The Telecom Commission came into existence this year. After the Commission was formed the Policy could not be discussed as we could not spend time on this matter. We were somewhat concerned about the Eighth Plan, the Annual Plan and other issues.

Finally, the Commission gave a rough draft of the Policy Paper and we hope that after finalisation and after properly approved by our Minister, we will be ready to place this on the Table of the Parliament now. It has been discussed extensively at various forums in Telecom Department. We have a rough draft with us now. I think we have not attached it to the papers circulated to the Committee. We had serious discussion even the last week with the Commission members. We are trying to make it readable by all. As it is, it is a highly complicated technical draft. We have got a copy and we will put it before Parliament in this session."

The Committee pointed out that the Government had taken five years to finalise the National Communications Policy and still the deliberations were going on and desired to know the reasons for the delay. The representative of the Ministry stated :

"I accept the blame. It is not fair to take five years. I do not think that there is any excuse for it. We should not have taken five years. The fact is that it has taken five years. I want to make sure that now we will finalise it."

The Committee asked when the assurance on National Communications Policy was going to be fulfilled. In reply, the witness stated that they would put it on the Table of the House during the Budget session, so far as their part was concerned.

*Assurance regarding setting up of ESS III and ESS IV units of Indian Telephone Industries (SQ 4, dated 24.2.1987)*

The Committee then took up the second pending assurance on the agenda regarding setting up of ESS III and ESS IV units of Indian Telephone Industries. The Committee asked the witnesses to give a brief note on the delay in implementation of the assurance. The witness stated :

"The second question relates to assurance about the technology for the electronic switching system in III. It has to do something with the

switching facility for ESS ITI and ESS IV units in III. This has been discussed since 1987. A committee headed by Shri Krishnamurthy, Chairman, SAIL, was asked to look at the working of the Department of Telecommunications, specially the switching capacity aspect. This Committee submitted its report during October 1987. The report was examined in detail. The Committee recommended setting up of a capacity of five lakh lines each during the Eighth Plan period. We are hopeful to begin with the setting up of factories at Bangalore and at Rae Bareli. We already have surplus staff at ITI. We have also some capital equipment which is being used for the production of ESS equipment for these Electronics Division. After this, Committee had submitted its report, the Cabinet Secretary proposed a meeting in December 1988 for setting up of an inter-departmental working group and review the CD elements for setting up the proposed factories and also for the ET & D components and also the structure for ESS production. Thereafter it was decided once again to leave it to the Telecom Commission as it was being set up. The Telecom Commission could decide the kind of infrastructure it would like to set up. We have been discussing this for almost six months. We have looked at various alternatives. We have for quite sometime decided that the second factory will be at ITI. The technology will be indiegnous. We are awaiting the C-Dot Evaluation Committee Report to come out. As soon as it comes out, we shall take the final decision."

Regarding the date when the C-Dot Evaluation Committee Report was expected the representative of the Ministry stated that it was earlier expected to come by 28 February and now it was expected to be ready by 22 March, 1990.

About the changes proposed in the telephone system the witness stated :

"The telecom system consists of three parts. We have the telephone instrument, telex or fax which is an essential device, which generates information and receives information. We have transmission equipment, whether it is optical fibre or satellite or whatever it is ordinary wire and cables. Then we have switching equipment. For example, we have 10,000 lines coming into it an exchange to connect one line to the other line. So far we have been importing switching equipment for almost forty years. We set up a plant in Mankapur for digital

switching using French technology. We are now developing our digital technology at C-Dot. The 3-year field trial was scheduled in 1987. It will go in for production by March 1990. For all kinds of reasons, we have been miscommunicated in the Cabinet Note in 1987. In the meantime we have developed PABX. Thirty manufacturers are already producing it. We have small rural exchange also. Ten manufacturers are producing this. So, we have been creating infrastructure in the country for local components, local assembly and local test capabilities. Now for large exchange we will use the same infrastructure. The final and integration test would be done by ITI for large systems. This will give us ability to build on our own indigenous capabilities using our new technology for the next decade."

The Committee asked about the features included in the comprehensive policy. The witness replied :

"It basically says that we are producing 50,0000 lines of switching every year. Today, we have five million lines for 800 million people. In the Eighth Plan if we are given the kind of funding,—we are negotiating with the Planning Commission—we will be able to produce 7.5 million to 10 million switching lines. This will also require replacement of 1.8 million telephones. This means we have to produce 7 million telephones in the Eighth Plan. For this we must increase our production capacity from 50,0000 lines to two million lines by 1992. This can only be done with good mixtures of electro mechanical things. The details regarding the requirement of rural exchanges, urban exchanges, etc. are being worked out."

The Committee enquired about the time by which the Evaluation Report would be implemented after its receipt. The reply of the witness was :

"The Evaluation Report according to me cannot be made available in few weeks. We will be able to say more within four-eight weeks after the Report is ready. Our problem today is to assess the requirement of small exchanges and medium size exchanges. We are also trying to install exchanges which will earn more revenue earlier in the VIII Plan. Then we need not go to the Planning Commission for any additional budgetary support. Our goal is that by the end of Eighth Plan we should not need any support from the Planning Commission. We are also trying to generate more internal revenue. For example, in the next year we will be able to generate Rs. 3000 crores in internal revenue."

The Committee also desired to know the availability of telephone connections to all the people on the waiting list and in reply the witness stated :

“In a country of 800 million people, we will still have this problem. I do not think that we can ever meet the growing demand. We are going to provide 5 million lines more in the VIIIth Plan. We perhaps need 20 million lines for 1 million people by the year 2000 for minimum connectivity. Our traffic is so high.”

The witnesses of the Ministry of Communications then withdrew.

\*\*\*

\*\*\*

\*\*\*

The Committee then adjourned to meet on Tuesday, 6 March, 1990 at 11.00 hours.



©1990 BY LOK SABHA SECRETARIAT

PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND  
CONDUCT OF BUSINESS IN LOK SABHA (SEVENTH EDITION) AND  
PRINTED BY M/s. VINDHYA VASINI PACKAGINGS, DELHI