

THE INDIAN TELEGRAPH (AMENDMENT) ACT, 2003

No. 8 OF 2004

[9th January, 2004.]

An Act further to amend the Indian Telegraph Act, 1885.

BE it enacted by Parliament in the Fifty-fourth Year of the Republic of India as follows:—

Short title  
and com-  
mencement:

1. (1) This Act may be called the Indian Telegraph (Amendment) Act, 2003.

(2) It shall be deemed to have come into force on the 1st day of April, 2002.

Amendment  
of section 3:

2. In section 3 of the Indian Telegraph Act, 1885 (hereinafter referred to as the principal Act), clause (I) shall be renumbered as clause (IAA) and before clause (IAA) as so renumbered, the following clauses shall be inserted, namely:—

‘(I) “Fund” means the Universal Service Obligation Fund established under sub-section (I) of section 9A;

(IA) “Universal Service Obligation” means the obligation to provide access to basic telegraph services to people in the rural and remote areas at affordable and reasonable prices;’

Amendment  
of section 4:

3. In section 4 of the principal Act, in sub-section (I), the following *Explanation* shall be inserted at the end, namely:—

“*Explanation.*—The payments made for the grant of a licence under this sub-section shall include such sum attributable to the Universal Service Obligation as may be determined by the Central Government after considering the recommendation made in this behalf by the Telecom Regulatory Authority of India established under sub-section (I) of section 3 of the Telecom Regulatory Authority of India Act, 1997.”

4. In section 7 of the principal Act, in sub-section (2), after clause (ee), the following clauses shall be inserted, namely:—

- “(eea) the manner in which the Fund may be administered;
- “(eeb) the criteria based on which sums may be released.”

5. After Part II of the principal Act, the following Part shall be inserted, namely:—

“PART IIA

UNIVERSAL SERVICE OBLIGATION FUND

9A. (1) On and from the commencement of the Indian Telegraph (Amendment) Act, 2003, there shall be deemed to have been established, for the purposes of this Act, a Fund to be called the Universal Service Obligation Fund.

(2) The Fund shall be under the control of the Central Government and there shall be credited thereto—

(a) any sums of money paid under section 9B;

(b) any grants and loans made by the Central Government under section 9C.

(3) The balance to the credit of the Fund shall not lapse at the end of the financial year.

9B. The sums of money received towards the Universal Service Obligation under section 4 shall first be credited to the Consolidated Fund of India, and the Central Government may, if Parliament by appropriation made by law in this behalf so provides, credit such proceeds to the Fund from time to time for being utilised exclusively for meeting the Universal Service Obligation.

9C. The Central Government may, after due appropriation made by Parliament by law in this behalf, credit by way of grants and loans such sums of money as that Government may consider necessary in the Fund.

9D. (1) The Central Government shall have the power to administer the Fund in such manner as may be prescribed by rules made under this Act.

(2) The Fund shall be utilised exclusively for meeting the Universal Service Obligation.

(3) The Central Government shall be responsible for the co-ordination and ensuring timely utilisation and release of sums in accordance with the criteria as may be prescribed by rules made under this Act.”

6. (1) The Indian Telegraph (Amendment) Ordinance, 2003, is hereby repealed.

(2) Notwithstanding the repeal of the Indian Telegraph (Amendment) Ordinance, 2003, anything done or action taken under the principal Act as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.

Amendment of section 7.

Insertion of new Part IIA.

Establishment of Universal Service Obligation Fund.

Crediting of sums to Consolidated Fund of India.

Grants and loans by Central Government.

Administration and utilisation of Fund.

Repeal and saving.

1.7 of 2003.

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