



## News Analysis (07 Jan, 2019)

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### Government to Open Bid for Oil/Gas Licensing

The Centre has launched a new round of the auction for the 14 blocks for prospecting of oil and gas.

- The auction will be done under the **Open Acreage Licensing Programme (OALP)** under the liberalized **Hydrocarbon Exploration and Licensing Policy (HELP)**.
- The blocks on offer in OALP-II include one in deep waters of Krishna Godavari basin and five shallow water blocks — two each in Andaman and Kutch basin and one in Mahanadi basin. Eight on land blocks - four in Mahanadi basin, two in Cambay and one each in Rajasthan and Cauvery are on offer.
- The 14 blocks on offer measure around 29,000 square kilometers in area and are estimated to hold an in-place resource of 12,609 million tonnes of oil and oil equivalent gas.

### Procedure of Auction

- Under the Open Acreage Licensing Programme or OALP, **companies are allowed to put in an expression of interest (Eoi) for prospecting of oil and gas in any area** that is presently not under any production or exploration license.
- The blocks or areas that receive Eois at the end of a cycle are put up for auction with the originator or the firm that originally selected the area getting a 5-mark advantage.
- Blocks are awarded to the company which **offers the highest share of oil and gas to the government** as well as commits to doing **maximum exploration work by seismic survey and drilling exploration wells**.

### Significance of Auction

- Increased exploration will lead to **more domestic oil and gas production**, helping India, which is the world's third largest oil importer, cutting import dependence.
- New blocks will bring **substantial investment in the sector** and will help in

**generating employment.**

- It will also help in achieving the **government target of cutting oil import bill by 10% to 67% by 2022 and to half by 2030.**

### **Hydrocarbon Exploration Licensing Policy (HELP)**

- The government has launched the Hydrocarbon Exploration Licensing Policy (HELP) replacing the old policy of National Exploration and Licensing Policy (NELP).
- Four main facets of HELP are:
  - **uniform license** for exploration and production **of all forms of hydrocarbon,**
  - an **open acreage policy,**
  - easy to administer the **revenue sharing model** and
  - **marketing and pricing freedom** for the crude oil and natural gas produced.
- The uniform license will **enable the contractor to explore conventional as well as unconventional oil and gas resources** including coal bed methane, shale gas/oil, tight gas, and gas hydrates.
- The concept of **Open Acreage Policy enables Exploration and Production (E&P) companies to choose the blocks from the designated area.**
- The new policy has replaced the old system of government carving out areas and bidding them out.
- It guarantees marketing and pricing freedom and moves away from production sharing model of previous policy to a revenue-sharing model, where companies offering the maximum share of oil and gas to the government are awarded the block.
- Under the new regime, **the Government will not be concerned with the cost incurred and will receive a share of the gross revenue** from the sale of oil, gas etc. This is in line with Government's policy of **"Ease of Doing Business"**.
- HELP also provides for marketing freedom for crude oil and natural gas produced from these blocks. This is in tune with Government's policy of **"Minimum Government –Maximum Governance"**.

### **National Data Repository**

- National Data Repository (NDR) is an **integrated data repository of Exploration and Production (E&P) data of Indian sedimentary basins.**
- NDR is a **fully Government of India owned** E&P data repository.
- NDR is **hosted at Directorate General of Hydrocarbons (DGH).** DGH is a technical arm of the Ministry of Petroleum and Natural Gas (MoPNG).
- NDR offers an unique platform to all E&P Operators, E&P Service Companies, E&P Investors, Academia to delve inside diverse E&P datasets of Indian sedimentary basins.

### **Seismic Surveys**

- Reflection seismology (or seismic reflection) is a **method of exploration geophysics**

that uses the principles of seismology to estimate the properties of the earth's subsurface from reflected seismic waves.

- The method requires a **controlled seismic source of energy, such as dynamite or a specialized air gun.**

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## Parliamentary Standing Committee Report on CBI and CAT

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A **Parliamentary Standing Committee (PSC)** has raised concern over non-filling of vacancies in the Central Bureau of Investigation (CBI).

- In a **separate finding**, the PSC has observed that the **Central Administrative Tribunal (CAT)** lacks human as well as physical infrastructure. Because of this, 14 of the 17 Benches are not fully functional.
- The level of vacant positions in executive rank, law officers and technical officers is about 16, 28 and 56% respectively.
- At the top level, out of four posts of Special Director or Additional Director, three are lying vacant.

### Recommendations on CBI

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- Terms of **deputation to the CBI be made more rewarding** in order to retain capable officers and to attract best officers from the State police forces, Central paramilitary forces, Intelligence Bureau, etc.
- The committee recommended that the government simplify recruitment rules to **overcome the procedural bottlenecks.**
- The CBI and the government should **expedite approvals** for setting up the **International Centre of Excellence in Investigation (ICEI-CBI) at the CBI Academy in Ghaziabad**, which was announced in 2015.

ICEI-CBI was to offer world-class certified courses on investigation and prosecution in specialised and emerging domains of crime including cybercrime.

- With the **increasing number of cases** now being referred to the CBI pertaining to areas like **internal security, cybercrimes, corruption, financial irregularities**, the nation cannot afford to have its premier investigative agency understaffed and thus ill-prepared.

### Recommendations on CAT

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- **Strict timelines** to fill the vacancies.
- It suggested that the **appointment process** of tribunal members should start **well in advance** and the government should examine the reasons for members leaving service prematurely and take remedial measures.

- The Department of Personnel and Training (DoPT) and CAT should chalk out strategy to overcome the procedural hurdles in commencement of construction of buildings for Benches. It pointed out that despite allocation of funds, CAT was not carrying out construction at these sites.

## Central Administrative Tribunal

- The **Central Administrative Tribunal** had been established under **Article 323A** of the Constitution (**inserted by the 42nd Constitutional Amendment, 1976**) for adjudication of disputes and complaints with respect to recruitment and conditions of service of persons appointed to public services and posts in connection with the affairs of the Union or other authorities under the control of the Government.  
The **42<sup>nd</sup> Constitutional Amendment, 1976 added two articles viz. 323-A and 323-B**. While article 323-A deals with Administrative Tribunals; article 323-B deals with tribunals for other matters.
- It was **established in 1985** by the **Administrative Tribunals Act, 1985**.
- The Tribunal is guided by the **principles of natural justice** in deciding cases and is not bound by the procedure, prescribed by the Civil Procedure Code.
- Initially the decision of the Tribunal could be **challenged before Supreme Court by filing Special Leave Petition**. However, after the Supreme Court's decision in **L. Chandra Kumar vs the Union of India & Ors (1997)**, the orders of Central Administrative Tribunal are now being challenged by way of **Writ Petition under Article 226/227 of the Constitution before respective High Court** in whose territorial jurisdiction the Bench of the Tribunal is situated.
- The Principal seat of Central Administrative Tribunal is **at New Delhi** and it has **16 Outlying Benches scattered all over the Country**.

## Legal Status for SSC

A **Parliamentary Standing Committee (PSC)** has recommended **statutory status** to the **Staff Selection Commission (SSC)**, one of the largest recruitment agencies in the country.

- The Union Public Service Commission (UPSC) and all State Public Service Commissions either have constitutional or legal status. The SSC is the only such organisation that performs similar functions on a much larger scale, but does not enjoy statutory status.
- Earlier, an expert group constituted by the government in 2014, for reviewing the examination system in the SSC, had also recommended according statutory status to the Commission.

## Staff Selection Commission

- The Government of India constituted the **Subordinate Services Commission in 1975**

which was subsequently **re-designated as Staff Selection Commission in 1977.**

- The Staff Selection Commission is **an attached office** of the **Department of Personnel and Training** and comprises of Chairman, two Members and a Secretary-cum-Controller of Examinations who are appointed on such terms and conditions as may be prescribed by the Central Government.
- **Estimates Committee of the Parliament in its 47<sup>th</sup> Report (1967-68)** and the **First Administrative Reforms Commission (ARC) in 1968** recommended the setting up of a Service Selection Commission for conducting examinations for recruitment to lower categories of posts.
- The SSC was created to ease the burden of the UPSC by taking over the recruitment for posts below the Group 'A' level.
- The workload and responsibilities of the SSC have increased exponentially over the years, from 9.94 lakh candidates in 2008-09 to over 2 crore in 2016-17.
- Moreover, the SSC has a sanctioned staff strength of 481 officers but is functioning with 75% of its sanctioned strength.
- Statutory status to the SSC would contribute to **greater functional autonomy, faster decision-making and efficiency** in the overall performance and delivery of results by the SSC in the recruitment process.

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## Defense Manufacturing Rules Eased

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The government has simplified the approval process for the manufacturing of defense and aerospace equipment and components by private industry.

- The government has brought the equipment under the **licensing authority of the Department of Industrial Policy and Promotion (DIPP)**, Ministry of Commerce and Industry
- The Equipment is listed in three categories — **defense aircraft, warships of all kinds, and allied items of defense equipment.**
- Defense items are covered by two different Acts — the **Industries (Development and Regulation) Act, 1951**, (IDRA act) and the **Arms Act, 1959.**
- Items of defense aerospace and warships now do not require a license under Arms Act. Such items shall now be covered by IDRA act.

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## Significance

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- The most significant aspect is that warships of all kinds, surface and sub-surface, have been included in the listing.
- This move is also expected to **help foreign Original Equipment Manufacturers (OEM)** looking for partnerships with the private sector.

- The new guidelines would give a **boost to the small and medium enterprises (SMEs)**.

## Defense Procurement Procedure

- The government has appointed **Dhirendra Singh Committee** in May 2015 to review the Defense Procurement Procedure (DPP), 2013.
- Based on the recommendations of the committee Defence Procurement Procedure (DPP-2016) was brought which replaced the DPP-2013.
- DPP, 2016 focuses **to boost the Make-in-India initiative** by promoting indigenous design, development, and manufacturing of defense equipment, platforms, and systems.
- The government has introduced a newly incorporated procurement class called **“Buy Indian (IDDM)”**, where **IDDM stands for Indigenous Designed Developed and Manufactured**. This would have the first preference in all acquisitions once the DPP comes into effect.
- Besides this, preference has been accorded to **‘Buy (Indian)’ and ‘Buy and Make (Indian)’ categories of capital acquisition over ‘Buy (Global)’ & ‘Buy & Make (Global)’ categories**.

## Special Partnership Model under the Defense Procurement Procedure

- **Ministry of Defence has formulated the Strategic Partnership (SP) model** under the Defence Procurement Procedure (DPP), covering four specific areas to promote the role of the private sector in defense manufacturing.
- **The Strategic Partnership Model (SPM) is a different category in addition to the existing categories i.e. ‘Buy (Indian-IDDM)’; ‘Buy (Indian)’; ‘Buy & Make (Indian)’; ‘Buy & Make’ and ‘Buy (Global)’.**
- The policy is intended to **institutionalize a transparent, objective and functional mechanism to encourage participation of the private sector**, in manufacturing the defense equipment such as aircraft, submarines, helicopters, and armored vehicles.
- The policy aims to enhance competition, increase efficiencies, facilitate faster absorption of technology, leading to the reduction in dependence on imports and greater self-reliance in defense manufacturing.

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## Important Facts for Prelims (7th January 2019)

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### Cyclone Pabuk

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- The India meteorological department (IMD) has issued an orange warning for the **Andaman and Nicobar islands** as cyclonic storm **Pabuk** is approaching the

archipelago.

- It **originated over the Gulf of Thailand**.
- An **“orange” weather warning** means people should “be prepared” and there is an increased likelihood of bad or extreme weather, which may disrupt road and air travel and threaten life and property.
- The only typhoon ever known to have hit **Thailand was Gay (in November 1989)**.
- It has been named by **Laos**.

Stage of warning	Colour code
Cyclone Alert	Yellow
Cyclone Warning	Orange
Post landfall outlook	Red