CHAPTER VII: MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

Food Corporation of India

7.1.1 Extra subsidy burden due to inclusion of inadmissible incidentals

Inclusion of inadmissible incidentals in the procurement rates of levy rice resulted in undue benefit to millers and consequent extra subsidy burden of Rs.326.21 crore to Government of India.

Food Corporation of India (FCI) procures rice for the Central Pool through statutory levy on rice millers and rice dealers. The percentage of levy is fixed by State Governments with the approval of Government of India (GOI) taking into account the requirements for the central pool, domestic consumption and marketable surplus. Rates of levy rice are fixed by the GOI before commencement of every Kharif Marketing Season (KMS).

While fixing the rates of levy rice for KMS 2003-04, the GOI decided (October 2003) to exclude the following elements from the costing of levy rice:

(i)	Internal movement -	as the milling charges were inclusive of transportation charges upto eight kilometres on paddy as well as delivery of rice
(ii)	Storage and interest -	as the storage was normally in the millers own premises. The same applied to interest charges
(iii)	Sales tax at rice stage -	as millers did not necessarily purchase paddy at the minimum support price
(iv)	Gunny depreciation -	as only the cost of bags in which miller supplied rice to the Central pool was to be reimbursed

Since, the rates of levy rice calculated for KMS 2003-04, after excluding above cost elements were lower than KMS 2002-03 rates, the GOI decided to bring the rates for KMS 2003-04 at par with KMS 2002-03 and therefore, a ‘miscellaneous/special element’ (ranging between Rs.32 *per* quintal to Rs.37.30 *per* quintal[*]) was included, as a one time measure, in the procurement rates for levy rice for KMS 2003-04. As the rates calculated for KMS 2004-05 were found less when compared with the rates of KMS 2003-04, the ‘miscellaneous/special element’ (ranging between Re.0.67 *per* quintal to Rs.16.47 *per* quintal) was included in the rates of levy rice for KMS 2004-05 also.

For procurement of 68.89 lakh MT of levy rice during KMS 2003-04 in Andhra Pradesh, Punjab and Haryana, an amount of Rs.236.31 crore was paid to the rice millers towards ‘miscellaneous/special element’. Similarly, for KMS 2004-05, an amount of Rs.89.90 crore was paid for procurement of 67.75 lakh MT of levy rice. This nullified the GOI

[*] ***For different varieties of rice***

decision to exclude these elements from levy cost calculations as per the deciding principles to be taken into account while calculating costs for KMS 2003-04 onwards. Consequently, undue benefit of Rs.326.21 crore was passed on to the millers in Andhra Pradesh, Punjab and Haryana for supply of levy rice during 2003-04 and 2004-05.

The Management while confirming the facts stated (September 2007) that the instructions/sanctions of the GOI were executed without any deviation.

The Ministry in reply stated (November 2007) that 'miscellaneous/special element' were allowed to compensate increase in minimum support price, taxes, *etc.*

The reply was not tenable as increase in minimum support price was considered and suitably reflected in the rates fixed for procurement of levy rice. Inclusion of 'miscellaneous/special element' had in fact negated the decision to exclude the inadmissible elements.

Thus, inclusion of 'miscellaneous/special element' in the procurement price of levy rice for 2003-04 and 2004-05 resulted in undue benefit of Rs.326.21 crore to the rice millers and an extra subsidy burden to the GOI.

7.1.2 Short accountal of storage gain in wheat

Storage gain in wheat observed during 2004-05 and 2005-06 in Punjab region compared with Haryana region showed short accountal of wheat by 59,898 MT valuing Rs.58.17 crore.

FCI procures wheat for the Central Pool directly as well as through State Governments and their agencies (State agencies). During storage wheat gains weight, particularly during monsoon season, due to absorption of moisture.

Due to operational constraints, FCI at times, is unable to take over the entire stock procured by State agencies immediately after it is procured and the stock is, thus, stored in their godowns. For recovery of storage gain in respect of wheat stocks taken over by FCI from the State agencies of Punjab and Haryana, the GOI in November 1999 had fixed the norms of storage gain at the rate of one *per cent* for stock from covered godown and 0.70 *per cent* for stock from open godown.

The GOI in August 2003, on the basis of a study conducted by Indian Grain Storage Management and Research Institute, Hapur, fixed the criteria for accountal of storage gain at 0.70 *per cent* gain in weight for every one *per cent* increase in moisture content in respect of wheat procured, stored and issued through FCI own godowns. Accordingly, the GOI requested FCI to record the moisture content at the time of procurement and transfer out/sale and account for storage gain. Cases where recording of the moisture content of the wheat was not made and storage gain not accounted for were to be investigated and action taken against the concerned staff.

It was observed in Audit that in the Punjab and Haryana regions of FCI which together procure 88.32 *per cent* of the foodgrains for the Central Pool, the instructions regarding recording of moisture contents were not followed. Further, though the climatic conditions of these regions was the same, actual storage gain on account of moisture gain accounted for in Punjab region were very low when compared with Haryana region during 2004-05 and 2005-06. The average percentage of storage gain accounted for by Punjab region was 0.93 *per cent* only as against 2.25 *per cent* accounted for by Haryana region. There was, thus, short accountal of 59,898 MT of wheat valued at Rs.58.17 crore by Punjab region when compared with Haryana region.

The Management in reply stated (October 2007) that the storage gains in Punjab region could not be compared with Haryana region due to heavy procurements in Punjab and lack of covered storage space. The contention of the Management was not acceptable. Though the climatic conditions in both regions were similar, there was difference of nearly 200 *per cent* in the storage gain in these regions. Moreover, the storage gain was neither recorded and accounted for on the basis of the GOI instructions nor any action was taken against delinquent staff.

The matter was reported to the Ministry in August 2007; reply was awaited (November 2007).

7.1.3 Avoidable payment of interest charges

Non-consideration of actual period of custody and maintenance for fixation of interest charges resulted in avoidable payment of Rs.38.68 crore to State agencies in Punjab and Haryana during 2002-03 and 2003-04.

The State Governments and their agencies (State agencies) procure wheat for the Central Pool and the wheat so procured is stored in their godowns till it is taken over by the Food Corporation of India (FCI). To meet the expenditure for these procurements, State agencies avail cash credit from banks and the expenditure incurred is then reimbursed as ‘incidentals’ by the FCI at the rates fixed by the GOI for each marketing season. The incidentals include an element of inventory carrying cost in the form of ‘interest charges’ to reimburse the State agencies for the period for which cash credit was availed by them.

While fixing the final rates of procurement incidentals of wheat for Rabi Marketing Season 2001-02 and 2002-03, the GOI decided (July 2004) that interest charges would be payable for the period allowed for ‘custody and maintenance charges’. The weighted average period of custody and maintenance of wheat in Punjab was two months and eight days during 2002-03 and two months and seven days during 2003-04. It was observed in Audit that the interest charges were actually allowed by the GOI for two months and 15 days. Similarly, against the weighted average period of custody and maintenance of two months and five days in Haryana Region the interest charges were allowed for two months and 21 days during 2002-03. This resulted in excess payment of Rs.38.68 crore to the State agencies in Punjab and Haryana for 181.62 lakh MT of wheat procured during the years 2002-03 and 2003-04.

The Minisrty in reply stated (November 2007) that the interest on monthly compound basis[*] was considered on the average period of stocks held in storage.

[*] ***A charge for minimum of 15 days in a month was payable if the period of storage was less than 15 days.***

The reply was not tenable as the interest was payable on daily balances. The interest charges should accordingly have been calculated on daily average basis.

Thus, fixation of interest charges for two months and 15 days/21 days without considering the actual period of custody and maintenance of stock by State agencies resulted in avoidable payment of interest charges of Rs.38.68 crore to the State agencies in Punjab and Haryana during 2002-03 and 2003-04.

7.1.4 Excess payment of interest charges for procurement of Custom Milled Rice

Payment of interest charges at 9.10 *per cent* in place of FCI rate of interest at 8.15 *per cent* to the State agencies for procurement of Custom Milled Rice resulted in excess payment of Rs.26.03 crore during Kharif Marketing Season 2004-05 and 2005-06.

The Government of India (GOI) fixes rates of Custom Milled Rice (CMR) delivered by the State Governments and their agencies (State agencies) to central pool out of paddy procured under price support operations. The rates so fixed consist of Minimum Support Price, Statutory Charges and Non-Statutory Charges which *inter alia* included interest charges incurred by the State agencies.

The GOI in July 2003 informed the State Governments that to introduce transparency in the methodology of fixation of the procurement cost, amongst other things, the interest charges were to be calculated at the FCI's rate of interest[*] obtained on the date of commencement of Kharif Marketing Season (KMS). During discussions on procurement of paddy for KMS 2004-05 on 18 August 2004, the GOI informed the State Governments that a downward revision in the rate of interest from 9.10 *per cent* to 8.15 *per cent* on the bank borrowings for food operations should be expected. However, while fixation of the rates for CMR for KMS 2004-05 in October/November 2004 and for KMS 2005-06 in November 2005 the GOI allowed interest charges at the rate of 9.10 *per cent* for the states of Punjab, Haryana, Andhra Pradesh, Orissa, West Bengal and Bihar.

The State Bank of India on 23 February 2005 reduced the rate of interest to 8.15 *per cent* with effect from 11 August 2004 and this was communicated to FCI on 1 March 2005. By that time KMS 2004-05 was over and an amount of Rs.11.59 crore was paid in excess for the year 2004-05 at the higher rate of interest in these States. In 2005-06 also, though the interest rate of 8.15 *per cent* was well known to FCI, interest charges at the rate of 9.10 *per cent* were allowed and FCI paid Rs.14.44 crore in excess to the State agencies.

The Management in reply stated (November 2007) that CMR procurement rates as fixed by the GOI were paid by them. Further, the interest rates allowed in the GOI orders were the rates at which various agencies were borrowing funds for their procurement operations from various commercial banks and the rate of interest paid by the State Government agencies were normally more than food operations rate. The Ministry endorsed (November 2007) the reply of the Management.

The reply was not tenable as the GOI, in the methodology for fixing costs (July 2003), had clearly laid down that the interest charges were to be calculated at the FCI rate of

[*] ***Rate of interest on bank borrowing for food operations***

interest obtained on the date of commencement of KMS. Further, as FCI is the nodal agency for procurement of CMR from the State agencies, it was also for the FCI to ensure that excess payments on this account were not made.

Thus, payment of interest charges at 9.10 *per cent* in place of FCI rate of interest at 8.15 *per cent* resulted in excess payment of Rs.26.03 crore to the State agencies of six states during KMS 2004-05 and 2005-06.

7.1.5 Loss in disposal of bajra in Haryana region

Undue benefit to tenderers, delay in finalisation of rates and non-consideration of market rates resulted in loss of Rs.14.96 crore in disposal of bajra by FCI Haryana region during 2003-04 and 2004-05.

As per policy of Government of India (GOI), to extend the benefits of Minimum Support Price to the farmers, the State Governments and their agencies procure bajra on behalf of Food Corporation of India (FCI)/GOI. After retaining the stocks required for consumption under Targeted Public Distribution System, the balance stock is disposed of by the FCI through open tender. The difference between the economic cost and the amount realised from the distribution/sale of the stock is reimbursed to the State Governments as subsidy.

It has been observed in Audit that there were heavy losses in disposal of bajra during 2003-04 and 2004-05 by FCI Haryana Region as discussed in the following paragraphs.

7.1.5.1 Disposal of bajra during 2003-04

FCI decided (November 2003) to dispose of through tender, the 1.99 lakh MT of bajra procured by the State Government and its agencies in Haryana during 2003-04. The tenders were opened on 3 January 2004 with validity of the offer upto 1 February 2004 which could be extended by another 30 days *i.e.*, upto 2 March 2004. In all, 89 tenderers submitted their offers ranging between Rs.337.17 *per* quintal and Rs.452 *per* quintal. The comparative statement of the rates was forwarded by Senior Regional Manager FCI (SRM) Haryana to FCI Headquarters for approval of rates by High Level Committee (HLC) /the Ministry of Consumer Affairs, Food and Public Distribution (Ministry) on 14 January 2004 with the recommendation to accept the bids received at the rates of Rs.360 *per* quintal and above. However, HLC asked (10 February 2004), for extension of the validity period of tender by another two months from 2 February 2004.

Meanwhile, six parties withdrew their offer between 23 January 2004 and 4 February 2004 and their earnest money deposits (EMDs) amounting to Rs.1.19 crore were forfeited. Another 20 bidders withdrew their offer when asked to extend validity period of tender by another two months. Their EMD was refunded.

The HLC approved (March 2004) the cut-off rates of Rs.330 *per* quintal and stipulated that free stocks be offered to tenderers whose rates had been accepted to the extent of their requirements and they may be given an option to lift the stocks at the cut-off price fixed. Accordingly, 1.71 lakh MT of bajra was sold to 52 valid tenderers at the rates ranging from Rs.331.25 *per* quintal to Rs.401.55 *per* quintal for Rs.56.79 crore. Due to delay in finalisation of the cut off rates and consequent withdrawal of parties with higher bid rates, FCI sustained a loss of Rs.1.15 crore being the difference between highest rates received in tender enquiry and actual rate received. Further, Rs.3.05 crore was paid to State Government as carry over charges for two months.

The remaining 0.28 lakh MT of bajra which was to be offered to 52 valid tenderers as per HLC orders was however, offered to only seven parties at the rate of Rs.402 *per* quintal. These parties included those six parties whose EMDs amounting to Rs.1.19 crore were forfeited due to withdrawal of their offer within validity period. This led the FCI to suffer a further loss of Rs.1.19 crore due to adjustment of forfeited EMDs against the sale.

7.1.5.2 Disposal of bajra during 2004-05

Similarly, tenders were invited (January 2005) to dispose of 1.30 lakh MT of bajra procured by the State Government and its agencies in Haryana during 2004-05. In all, 124 tenderers submitted their rates and the highest valid depot wise/lot wise rates ranged between Rs.463.41 *per* quintal and Rs.527.27 *per* quintal. The comparative statement of the rates was forwarded on 14 February 2005 by SRM Haryana to FCI Headquarters for approval of rates by HLC/Ministry. As the approval of rates was not received, the validity period of tender was extended by SRM Haryana till 15 April 2005 on mutual consent basis.

In the meantime, there was an upward trend in the market rates of bajra after receipt of tender rates. The rates increased to Rs.550 - Rs.552 *per* quintal (11 February 2005) and to Rs.638 – Rs.640 *per* quintal (11 April 2005). Though the increase in market rate of bajra was duly communicated by SRM Haryana to FCI Headquarters, the cut off rate of Rs.470 *per* quintal was approved by HLC/Ministry on 11 April 2005. SRM Haryana requested FCI Headquarters to reconsider the decision to dispose of stock at the rate of Rs.470 *per* quintal but this was not agreed to by FCI Headquarters. The SRM Haryana however, sold 1,28,287 MT of bajra at the cut off rate of Rs.520 *per* quintal though the average market rate during March 2005 to May 2005 was Rs.597.69 *per* quintal and 1,785 MT was considered as storage loss. Considering the average market rate of Rs.597.69 *per* quintal, FCI lost an opportunity to realise an amount higher by Rs.9.57 crore on sale of bajra during 2004-05.

The Management in reply (September 2007) stated that the request of SRM Haryana for re-consideration of cut off rates at Rs.470 *per* quintal was not considered as the rates were fixed by HLC and approved by the Hon'ble Minister. Also, the re-tendering could have taken a further period of three to four months in completing the whole process of tender.

The reply did not reflect the correct position as the increasing trend in rates was not brought to the notice of HLC. Further, the HLC had ratified (June 2005) the action taken by SRM Haryana to dispose of bajra at Rs.520 *per* quintal. Moreover, to avoid further delays due to re-tendering, the FCI could have also reduced the period of tender or gone for limited tender.

Thus, FCI suffered a loss of Rs.5.39 crore* in disposal of bajra during 2003-04 and lost an opportunity to realise an amount higher by Rs.9.57 crore on sale of bajra during 2004-05.

The matter was reported to the Ministry in July 2007; reply was awaited (November 2007).

7.1.6 Non-recovery of Value Added Tax

Non-charging of output tax on sales made to the State Government of Haryana for sale under 'Above Poverty Line' allocations resulted in avoidable subsidy burden of Rs.3.80 crore to Government of India.

The Haryana Value Added Tax (VAT) Act, 2003 came into effect from April 2003. Under the Act, Food Corporation of India (FCI) was to pay input tax at the time of purchase of foodgrains and collect output tax on all sales made, if such sales were not exempted from VAT. Section 3(5) of the Act laid down that if the output tax calculated as per Section 3(4) of the Act was more than the input tax the difference in the two was the tax payable; and if the input tax was more than the output tax calculated, the excess amount was either refundable or adjustable with future tax liability.

Foodgrains sold by FCI to the State Government of Haryana for supply under various programmes like Food for Work Programme, National Rural Employment Programme, Rural Landless Employment Guarantee Programme and World Food Programme Project 2664 were exempted from VAT in Haryana. The sale of foodgrains under the Above Poverty Line scheme in Targeted Public Distribution System (TPDS-APL) was however, not exempt from VAT under the Act.

As the Central Issue Price (CIP) of wheat for TPDS-APL was lower than the purchase price, the output tax chargeable on such sales under VAT was, thus, lower compared to the input tax and was to be collected and retained by FCI as per Section 3(5) of the Haryana Act. VAT was in force during 2003-04 and 2004-05 in Haryana unlike in other States particularly Punjab resulting in price differential in CIP in these two neighbouring States. To remove disparity in price the Haryana Government requested (January 2004) the GOI and the GOI in May 2004 issued instructions that the difference of the output tax and input tax only was to be levied on sales made under TPDS-APL. As output tax was lower than the input tax and the difference showed a negative value, FCI neither charged nor collected the output tax amounting to Rs.3.80 crore on 1.56 lakh MT of wheat stocks sold under the scheme to the State Government in 2004-05. Further, FCI did not claim the amount as refundable or adjustable with future tax liability in the VAT return filed for the year 2004-05. This resulted in non-recovery of Rs.3.80 crore as output tax from the State Government of Haryana by the FCI towards the sale under the scheme.

The Management in reply stated (July 2007) that to remove discrimination between two major food producing States, the GOI on the request of State Government had decided to give a special status to Haryana in respect of sale of wheat under TDPS-APL. The Ministry endorsed (July 2007) the reply of the Management.

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* ***Rs.1.15 crore plus Rs.3.05 crore plus Rs.1.19 crore***

The reply was not tenable. To remove the disparity in price, the State Government could have exempted the sale under the APL scheme from VAT rather than issue of instructions by the GOI which were not in consonance with the provisions of the Haryana VAT Act 2003. Further, under similar conditions during 2003-04, FCI had collected and retained the output tax amounting to Rs.2.41 crore on sale of 0.99 lakh MT of wheat under the scheme to the State Government.

Thus, non-charging of output tax by FCI in 2004-05 for sales under TPDS- APL resulted in non-recovery of Rs.3.80 crore by FCI from the State Government of Haryana and an avoidable subsidy burden to the GOI. This amounted to an indirect subsidy from the GOI to the State Government, as all deficits of FCI are made good by the GOI as food subsidy.

7.1.7 Loss in disposal of maize

Delay in approval of rates for disposal of maize procured during Kharif Marketing Season 2004-05 in Karnataka region resulted in a loss of Rs.3.10 crore to the Food Corporation of India.

During Kharif Marketing Season 2004-05, the State agencies in Karnataka procured 3.80 lakh MT of maize on behalf of Government of India under price support scheme for the Central Pool. Out of this, 20,400 MT was moved to Gujarat for issue under Public Distribution System and the balance quantity of 3.60 lakh MT was put to sale through tender by Food Corporation of India (FCI) in March 2005. The date of opening of tender was fixed for 11 April 2005 and tender was kept open for acceptance upto 10 May 2005 with the right to extend the period of acceptance of tender by another 15 days.

The Senior Regional Manager FCI (SRM) Bangalore prepared a comparative statement, showing centre-wise and bidder-wise rates received (ranging from Rs.450.00 to Rs.558.99 *per* quintal) on 15 April 2005. However, statement and other relevant documents were forwarded by the SRM to FCI Headquarters on 28 April 2005 for approval by the High Level Committee (HLC) recommending acceptance of tender quotes of Rs.500 *per* quintal and above and were received in FCI Headquarters only on 3 May 2005 *i.e.*, after 21 days from the date of opening of tender. Meanwhile, the validity of the offers was extended to 25 May 2005.

The HLC, in its meeting on 10 May 2005, agreed with the cut-off rates of Rs.500 and above for disposal of maize. The final approval however, was communicated on 28 May 2005 by FCI Headquarters *i.e.*, after the expiry of extended validity period of the tender on 25 May 2005. Highest bidders in 74 centers out of 114 centers did not agree with the extension of validity of rates beyond 25 May 2005 and withdrew their offers. Consequently, 2.34 lakh MT stock was sold to next higher (H2) or lower bidders resulting in a loss of Rs.3.10 crore to the FCI calculated on the basis of highest bid in the centre and the actual amount realised.

The Management while confirming the facts stated (November 2007) that FCI had earned profits by offering maize stock to H2, H3, H4 bidders instead of liquidating stock at cut off rates. This was not acceptable. FCI would have earned more by sale to the highest bidder who had withdrawn their bids due to delay in acceptance of rates offered and consequent expiry of validity period.

Thus, delay in sending the details of bids obtained by SRM Bangalore to FCI Headquarters and subsequent delay in approval of rates for disposal of maize by HLC resulted in a loss of Rs.3.10 crore to the FCI and an increased subsidy burden to the GOI.

The matter was reported the Ministry in May 2007; reply was awaited (November 2007).

7.1.8 Avoidable loss due to non-compliance of Government of India's instructions and excess issue of foodgrains under mid-day meal scheme

Failure in adhering to the Government of India's instructions regarding issue of foodgrains under mid-day meal scheme resulted in excess issue of foodgrains and subsidy burden of Rs.2.88 crore.

The Ministry of Human Resources Development (MHRD), Department of Education launched the National Programme of Nutritional Support to Primary Education generally known as mid-day meal scheme (MDM) with effect from 15 August 1995. While the overall responsibility for the scheme vests with the State Governments, Central assistance is provided to the States under the scheme by way of free supply of foodgrains from the nearest godowns of the FCI. The orders of allocation of foodgrains for the scheme are issued by the MHRD for 10 academic months in a year and the quantity of foodgrains to be issued by FCI in any particular month for the scheme should not exceed one-tenth of the total allocation.

Based on the enrolment data supplied by the Government of Andhra Pradesh, the MHRD issued (June 2003) provisional allocation of 1,54,353.460 MT of rice for 10 academic months of the year 2003-04 (from July 2003 to March 2004*) for all the schools in Andhra Pradesh. This allocation was based on the number of children enrolled as on 30 September 2002 for 200 school days. In August 2003 the Government of Andhra Pradesh requested for allocation of foodgrains for 231 school days. The MHRD issued (September 2003) a revised provisional allocation of 1,78,278.246 MT of rice for the year 2003-04 specifically mentioning that the revised allocation was valid for supplies from October 2003 to March 2004 and the revised allocation should not be applied on the previous months.

The Regional Office FCI Hyderabad however, instructed its District Offices to issue the foodgrains in monthly equal instalments from October 2003 onwards, on the basis of revised allocation after deducting the issues made upto September 2003. It was observed in Audit (February 2006) that during October 2003 to February 2004 in 10 out of 23 districts of Andhra Pradesh, foodgrains were issued by FCI by including the difference of the revised and the original allotment for the months of July 2003 to September 2003. Against allotment of 39,466.490 MT of rice for the period October 2003 to February 2004 for these 10 districts, 41,917.110 MT of rice was issued. This resulted in excess issue of 2,450.620 MT of rice valuing Rs.2.88 crore in these 10 District Offices during

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* ***Release of foodgrain from April 2003 to June 2003 was on the basis of last year (2002-03) enrolment data.***

October 2003 to February 2004. In the remaining 13 District Offices, the instructions of the MHRD were correctly implemented.

The Zonal Management in reply stated (April 2007) that the total release of rice during the year did not exceed the net/firm allocation made by the MHRD and the Regional Office, Hyderabad therefore, directed all District Offices to issue balance/left over quantity of allocation in equal monthly instalments from October 2003 onwards.

The reply was not tenable as the MHRD in its order (September 2003) had clearly mentioned that no claims for previous months be entertained on the basis of revised allocation. Further, this had resulted in issue of foodgrains in excess of one-tenth of total allocation, in each of the months from October 2003 to February 2004.

Thus, non-compliance of MHRD's instructions resulted in issue of excess foodgrains in 10 District Offices of Andhra Pradesh causing an extra subsidy burden of Rs.2.88 crore to the GOI.

The matter was reported to the Ministry in July 2007; reply was awaited (November 2007).