

No.30-130/2008-USF (Vol. IX)
Government of India
Department of Telecommunications
Office of Administrator, USO Fund
503, Sanchar Bhawan, 20, Ashoka Road, New Delhi-110001

To

Dated 25.06.2010

Shri D.P. Singh,
GM (RN),
Bharat Sanchar Nigam Limited,
Statesman House, 148, Barakhamba Road,
New Delhi-110 001

Sub: Modification in terms and conditions of the Agreement No. 30-130/2004-USF dated 30.11.2004 – Regarding extension of roll out period

Agreements No. 30-130/2004-USF were signed with M/s BSNL in November 2004 to provide subsidy support for provision of VPTs in 66822 no. of uncovered villages for 12 service areas in the country. Subsequently on the request of BSNL, the number of uncovered villages to provided with VPT facility under the said Agreement was revised to 62302, vide this office letter of even no. dated 05.01.2010.

2. As per Clause 25.0 Schedule-II Part-V: Operating Conditions of the said Agreement, the roll out period was prescribed as three years in phases of 20%, 40% and 40% respectively. The roll out period was subsequently extended by one year to 30.11.2008 vide this office letter no. 30-130/2007-USF(Vol. VIII) dated 30.05.2008 and again by one more year to 30.11.2009 vide this office letter no. 30-130/2007-USF(Vol. VIII) dated 04.02.2009. Vide your letter No. 20-14/2008-RD/Bharat Nirman (Pt.) dated 27.10.2009 extension in roll out period for the aforesaid agreements had been sought although no time period for which extension was being sought was mentioned. Also, while preparing the Outcome Budget for the year 2010-11, BSNL vide letter no. 22-4/2009-RD/Action Plan (Pt) dated 06.01.2010 had projected that about 600 VPTs remaining for provisioning under the Bharat Nirman Agreement as on 31.03.2010 shall be provided by Sep'2010.

3. In exercise of the powers conferred to the Administrator USO Fund under Clause 5.1 Schedule-II Part-I: General Conditions of the captioned Agreement, I have been directed to convey the approval of the Administrator USO Fund to extend the roll out period for the aforesaid agreements up to 30.09.2010. However, VPTs provided during the extended period i.e. after 30.11.2009 shall entail imposition of LD charges as per the terms and conditions of the Agreement. The modified roll out clause of the said Agreement shall be as per details given below:

25.0 Roll Out (Existing Clause)

At least 20% of the VPTs in the Service Area for which the Agreement is signed shall be provided by the Universal Service Provider within one year from the effective date of the Agreement and a minimum of 60 % of VPTs in the Service Area shall be provided by the end of 2nd year. For the VPTs that are not provided as per the Roll-Out required to be achieved by the end of second and fifth year respectively from the effective date of the Agreement, without prior written concurrence of the Administrator, the delayed period shall entail recovery of Liquidated Damages (L.D.). The USP shall provide a monthly statement in Annexure-V containing details of the VPTs provided during the month.

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DAF (14)

Provided further, that for the VPTs that are provided within 30 calendar days of the expiry of the relevant period from the effective date, the Administrator shall accept the services without levy of the L.D. charges. For the shortfall in providing the required number of VPTs by the end of second and fifth year respectively, the Administrator shall be entitled to recover Liquidated Damages at the rate of 5% of front loaded subsidy payable for those VPTs for each calendar month of delay or part thereof, subject to a maximum of 10% of the front loaded subsidy thus payable for those VPTs. For the purpose of charging the Liquidated Damages, the Average of the Representative Rates for the front loaded subsidy of all the SSAs in the Service Area for which the Agreement has been signed, shall be taken into account. The Administrator may also decide to invite fresh bids in respect of unfulfilled roll out.

25.0 Roll Out (Modified Clause)

At least 20% of the VPTs in the Service Area for which the Agreement is signed shall be provided by the Universal Service Provider within one year from the effective date of the Agreement and a minimum of 60 % of VPTs in the Service Area shall be provided by the end of 2nd year. **The balance of the VPTs shall be provided by 30-09-2010.** For the VPTs that are not provided as per the Roll-Out required to be achieved by the end of second and fifth year respectively from the effective date of the Agreement, the delayed period shall entail recovery of Liquidated Damages (L.D.). The USP shall provide a monthly statement in Annexure-V containing details of the VPTs provided during the month.

For the shortfall in providing the required number of VPTs by the end of second and fifth year respectively, the Administrator shall be entitled to recover Liquidated Damages at the rate of 5% of front loaded subsidy payable for those VPTs for each calendar month of delay or part thereof, subject to a maximum of 10% of the front loaded subsidy thus payable for those VPTs. For the purpose of charging the Liquidated Damages, the Average of the Representative Rates for the front loaded subsidy of all the SSAs in the Service Area for which the Agreement has been signed, shall be taken into account. The Administrator may also decide to invite fresh bids in respect of unfulfilled roll out.

4. You are, therefore, required to send one copy of this letter duly signed by the authorized signatory of the company in token of acceptance of the above said modifications and submit the same for record and further action in this office.


Director (Tech - III), USOF
Tel: 011-23372187

Encl: One additional copy of this letter, which is to be returned back duly signed

Copy to:

✓ Jt. Administrator (F), USO Fund



संयुक्त प्रशासक (वित्त)
Joint Administrator (Finance)
आ. सं. / No. 860
दिनांक / Date 7/7/2010