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भारत संचार निगम लिमिटेड  
(भारत सरकार का उपक्रम)  
BHARAT SANCHAR NIGAM LIMITED  
(A Govt. of India Enterprise)

No. 64-17/10-11(Pt.4)

Dated:30-01-2012

To

The Chief General Managers  
Jharkhand/Orissa/Rajasthan/West Bengal/Tamil Nadu/  
Haryana/Gujarat/Bihar/Madhya Pradesh/Assam/Punjab  
Telecom Circle.

**Subject: Issue regarding settlement of wire-line Broadband Schemes.**

It is understood that wire-line broadband under USO Fund subsidy scheme is implemented in all Circles but claims from BSNL are not fully cleared by concerned CCAs. In a review meeting held with USO Fund Administrator on 25<sup>th</sup> January, 2012, undersigned was given the reasons of rejections by CCAs in various Circles, which are enclosed at annexure-I. USO Fund also wrote a letter in September, 2010 to undersigned indicating various other issues which were found by USO Fund Administration team and CCAs during joint inspection in various Circles. Such irregularities, as observed, are placed at annexure-II. It is, therefore, requested that not only the officers who are preparing the claims for the scheme but also the officers who are implementing the scheme at SSA level may be informed fully about the scheme, so that, scheme may be implemented in true spirit of the Agreement and claims are properly prepared and put up.

In case, there are any other reason of claim rejection which cannot be explained by the CCA may be forwarded to this office to be further taken up with USO Fund administration team at Delhi.

A line of confirming the implementation of above will be highly appreciated.

  
(ANIL JAIN)  
Sr. GM (NWP-BB)

Encls: as above.

# RESPONSES FROM CCAs

Annexure I

27/ ✓

| S. No. | Name CCA           | Detailed reasons for claims being disallowed/withheld                                                                                                                                                                                                                                                                                                                                                                    | Detailed reasons for claims lying unsettled                                                                                                    |
|--------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | Jharkhand<br>10/c  | <ul style="list-style-type: none"> <li>Non-supply of first bill copy of the new connections</li> <li>Non-incremental meter reading</li> <li>Non-supply of Meter reading (usage charge) of the claimed connection.</li> </ul>                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Non-supply of required data/document from BSNL</li> </ul>                                               |
| 2      | Orissa<br>8/c      | <ul style="list-style-type: none"> <li>Wrong calculation of net additions (highest no. Of connections in any previous Qtr ignored)</li> <li>Wrong claim on computer/computer devices.<br/>(Withheld claim of Rs. 587406/- settled &amp; requisition for funds submitted on receipt of clarification from USOF)</li> </ul>                                                                                                | <ul style="list-style-type: none"> <li>No unsettled claim except for which the authorization of funds is awaited</li> </ul>                    |
| 3      | Rajasthan<br>11/c  | <ul style="list-style-type: none"> <li>Non providing of connection with minimum speed of 512 kbps</li> <li>Claim of subsidy for computing devices for non-USOF plans</li> <li>Incorrect RR claimed for equated subsidy</li> </ul>                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>Claim for equated subsidy for BSNL's self kiosk clarification in this regard has been sought</li> </ul> |
| 4      | West Bengal<br>3/c | <ul style="list-style-type: none"> <li>Mismatch of claim data with billing data</li> <li>Duplicate telephone nos. in claim data,</li> <li>Date of installation being prior to the effective date of Agreement or being after the period of claim<br/>(Amount disallowed Rs. 1.76 crore)</li> <li>An amount of Rs. 4.11 lakh kept withheld due to dispute in claim of kiosks and claim of 55 computer devices.</li> </ul> | <ul style="list-style-type: none"> <li>No claim lying unsettled</li> </ul>                                                                     |
| 5      | Tamil Nadu<br>6/c  | <ul style="list-style-type: none"> <li>Claimed connections not listed by USOF and were disallowed.<br/>(In view of clarification issued by USOF the claims from QE 31.03.10 to 31.12.10 are being re-examined for allowing subsidy from the disallowed amount)</li> <li>Speed less than 512 kbps &amp; ZMR</li> </ul>                                                                                                    | <ul style="list-style-type: none"> <li>Claim settled Authorisation of funds amounting to Rs. 9980385/- awaited from HQ.</li> </ul>             |
| 6      | Haryana<br>7/c     | <ul style="list-style-type: none"> <li>Extra usage for USOF plans charged at higher rate @ Re 0.90 instead of Re.0.40</li> <li>Date of installation not being shown uniformly. Use of different date formats</li> </ul>                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>No claim lying unsettled</li> </ul>                                                                     |

|     |                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                   |
|-----|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
|     |                        | <ul style="list-style-type: none"> <li>creating confusion</li> <li>New additions claimed during the quarter but zero usage shown in attachment 4/6</li> <li>Census codes found blank/incorrect or same code given for many villages,</li> <li>Closed connections shown in attachment 5/6 not accounted for in attachment 1/6.</li> <li>Claim of subsidy in excess of the ceiling limit of 31 nos. per Exchange</li> <li>Name of exchange given in abbreviated form, difficult to match with the approved list of exchanges</li> <li>Subsidy claimed for urban exchanges or for exchanges not included in list circulated</li> <li>Claim for BB connections installed prior to date of Agreement</li> <li>Non matching of OB with CB for the previous quarter</li> <li>Non submission of copy of first bill while claiming subsidy for kiosks.</li> <li>Non-accessibility of kiosks</li> </ul> |                                                                                                                                                   |
| 7.  | Gujarat<br>(17/c) 17/c | <ul style="list-style-type: none"> <li>An amount of Rs. 13287400/- for QE 31.12.09 to 30.09.10 kept withheld due to shortcomings noticed during inspection. Revised claim submitted by BSNL on 14.03.11. Due to paucity of time 80% claim passed and 20% kept withheld.</li> <li>Claim for kiosks kept withheld for want of physical inspection.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>Claim for QE 31.12.10 kept unsettled for want of revised claim from BSNL in view of amendment 5</li> </ul> |
| 8.  | Bihar<br>16/c          | <ul style="list-style-type: none"> <li>Recovery of Rs. 3564502/- from claim for QE 31.12.09 due to change of OB by BSNL downsizing the no. of connections to the extent they qualify the minimum speed of 512 kbps.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                   |
| 9.  | MP<br>15/c             | <ul style="list-style-type: none"> <li>An amount of Rs. 20921955/- is withheld due to i) submission of Attachments 1/6 to 6/6 SSA-wise instead of service area wise and ii) Reconciliation of claim data and physical verification is under progress.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                   |
| 10. | Assam<br>14/c          | <ul style="list-style-type: none"> <li>Claim in excess of the maximum no. of connections eligible for subsidy i.e. 31 BB and 1 kiosk.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                   |

|     |                    |                                                                                                                                                                                                                                                                    |                                                                                                    |
|-----|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
|     |                    | <ul style="list-style-type: none"> <li>• Connections provided to private Firms / Companies instead of Govt./Individual</li> <li>• Recovery of CPE charges from the subscribers in 1<sup>st</sup> bill</li> </ul>                                                   |                                                                                                    |
| 11. | Punjab<br><br>13/c | <ul style="list-style-type: none"> <li>• Non-functioning of BB connections exceeding 7 days</li> <li>• Recovery of modem charges, service charges, installation charges etc. From the subscribers</li> <li>• Connections provided on non-approved plans</li> </ul> | Claim for QE 31.12.10 lying unsettled has been checked and requisition of funds already submitted. |

In addition to above Pr. CCA Chennai has included following points under item 4  
Any other issues that CCA may wish to discuss with regard to wire line broadband Agreement:

- i) Some of the exchanges being in interior and most backward areas could not fulfil the roll out condition of minimum 5 connections within a period of 2 years. BSNL Madurai requested for relaxation in roll out condition of the minimum 5 connections or to extend the roll out period.
- ii) The RR for FLS/ EQA and subsidy for kiosk in respect of Puducherry SSA has not been listed by USOF
- iii) USPs is not intimating change of plan whereby a variation is seen in the plan as per claim and plan available at customer premises.
- iv) BSNL charges monthly rent for Wi-Fi as per the modem charges but no discount is given to custodian since the rate of Wi-Fi modem is high.
- v) Some exchanges are loaded up to 90-100% while some up to 10-15% it is suggested that the rural exchanges for the SDCA as a whole may be taken for fixing targets.
- vi) A standardized format for maintenance of registers for ensuring QOS parameters may be suggested.
- vii) In case of change of plan from USOF to Non-USOF subsequently by the custodian whether the amount of Rs. 4500/- allowed as subsidy for computing device is to be recovered or otherwise.
- viii) BSNL has requested for allowing computer subsidy only for exchanges having connections more than 31 and having eligible USOF Plans.

Already addressed

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Annexure - II

30-12/2006-USF (IR) (Pt.) / 2050-2071  
Ministry of Communications & IT  
Universal Service Obligation Fund Administration  
Sanchar Bhawan, New Delhi-110001

Dated: Sep, 2010

To

The General Manager (BB),  
BSNL CO,  
New Delhi - 110001

**Sub: Irregularities observed during physical inspection of broadband connectivity**

Kind attention is invited to clause 14.2 of the above mentioned USOF Agreement. As per said clause "The USP shall not recover any charges towards installation, registration, security deposit, for the broadband connections provided under this Agreement, up to 31 connections per DSLAM".

In this connection it is stated that during physical inspection irregular charging of registration, installation charges and security deposit has been noticed for the broadband connections provided on USOF subsidized tariff plans especially in Punjab, Assam & J&K service areas.

In addition other irregularities/shortcomings noticed during physical inspection of BB connection in Assam, Punjab, Jharkhand, J&K, MP & Uttarakhand are:

| Service area | Issues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Assam        | <ul style="list-style-type: none"><li>• Modem charges have been taken from subscriber.</li><li>• Subsidy has been claimed against disconnected/non-functional connections.</li></ul>                                                                                                                                                                                                                                                                                                                                                  |
| Punjab       | <ul style="list-style-type: none"><li>• Rs. 150/- has been charged for installation on connections provided on USOF Subsidized plan.</li><li>• Either computer has not been installed or not working or the modem has not been configured on PC.</li><li>• Subscriber was unaware that the Novatium Computing device provided lacks Hard disk and can not be utilized as a regular computer.</li><li>• Subsidized CPEs do not bear 'USOF subsidized' stamp in connections provided from Teur exchange under Chandigarh SSA.</li></ul> |
| J&K          | <ul style="list-style-type: none"><li>• Out of 3 connections inspected in Jammu SSA, 1 was not fully functional.</li><li>• Bills were not received regularly.</li></ul>                                                                                                                                                                                                                                                                                                                                                               |
| MP           | <ul style="list-style-type: none"><li>• Out of 7 connections inspected it was found that subsidy has been claimed against 3 disconnected/faulty connections.</li></ul>                                                                                                                                                                                                                                                                                                                                                                |
| HP           | <ul style="list-style-type: none"><li>• Download speed of 512kbps</li><li>• Connection provided in a shop has been claimed under Institutional user.</li></ul>                                                                                                                                                                                                                                                                                                                                                                        |

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Other common observations made by all CCAs:

- There is a very limited awareness about USOF plans/subsidy schemes amongst the rural public and also BSNL staff.
- Not a single connection has been provided to women SHG.
- Subsidized CPEs do not bear 'USOF subsidized' stamp.
- Details relating to USOF subsidy for broadband connection has not been provided in the bill

You are therefore requested to look in to the matter and arrange for immediate redressal/reimbursement of grievances and irregular recovery of registration/installation charges & security deposit made for Broadband Connections in the above circles. Suitable instructions in this regard may also be issued to all the circles as per terms and condition of the Agreement. A copy of the instructions issued in this regard may be supplied to this office.



**(Dr. Preeti Pandey)**  
**Deputy Administrator (F)**  
**Tele.No.23372056/23036374**

Copy to:

All Pr. CCAs/CCAs