



No.: 15-1/2013-DID/IT-CFA

Dated: 21.01.2014

To,

Chief General Managers,
All Telecom Circles/ Metro Districts,

Sub: Increasing DID Business – Clarifications sought by PGM Pune, regarding.

1. This is in continuation with this office letter of even no. dated 07.11.2013 regarding Distance extension of EPABX, logical partitioning, revision of tariffs, increase in commission and Capping in r/o BB connections provided through DID Franchisees and further clarifications issued for Increasing DID Business vide letter dated 14.11.2013.
2. PGM Pune has sought some clarifications to the above mentioned letters. In this regard, following clarifications have been approved by the competent authority:

Guideline Issued by BSNLCO, New Delhi	Clarification Sought by PGM Pune	Recommendation of the committee						
Para 2.5.(i) of the letter dated 07.11.2013 Increase commission to DID franchisees of BB connection from the present commission of 10% to new commission as follows: Increase commission as follows: <table><tr><td>No. of BB connections with the Franchisee per site (per DSLAM)</td><td>Commission (on all BB customer with the Franchisee)</td></tr><tr><td>Up to 50</td><td>15%</td></tr><tr><td>Above 50</td><td>25%</td></tr></table>	No. of BB connections with the Franchisee per site (per DSLAM)	Commission (on all BB customer with the Franchisee)	Up to 50	15%	Above 50	25%	Provides for increase in commission and capping limit for Broadband connections. The number of connections with franchisee has been classified per site (per DSLAM) – where upto 50 connections commission is 15% and above 50 connections, commission is 25%. In most of the cases in Pune, since we are not having higher size of DSLAMs, the numbers of DSLAMs have been installed per site (4 Nos of 64 DSLAM installed at sites instead of one – 240 port DSLAMs). In this case, commission structure is not proper as DID franchisee loses commission due to limitation of BSNL. Hence, it is required to be examined and corrected as number of connections per site and not per DSLAM.	For the purpose of calculation of commission to the franchisee, the total number of connections with franchisee may be taken per site i.e. it is independent of number of DSLAMs at particular site. All the DSLAMs installed in the same building for a DID franchisee under one Franchisee Agreement will be considered as one site. For example in case at a particular site BSNL has installed 4 number of 64 Port DSLAMs instead of 1 number of 240 port DSLAM then total number of connections on all the 4 DSLAMs shall be added for the purpose of calculation of commission to the franchisee.
No. of BB connections with the Franchisee per site (per DSLAM)	Commission (on all BB customer with the Franchisee)							
Up to 50	15%							
Above 50	25%							
Para 2.5.(ii) of the letter dated 07.11.2013 Maximum commission	(a) "Maximum commission admissible per connection will be Rs. 1000" should be termed as "Max Commission admissible per	In case the subscriber opts for annual plan and pays annual rent in advance, even then the						

admissible per connection will be Rs. 1000/-	connection will be Rs.1000 per plan per month". Further request to clarify that 25% commission should be paid to DID franchisees in case the subscriber opts for Annual plan and pays Annual Rent in advance. At this juncture the maximum limit of Rs. 1000 is not applicable otherwise the CDR would limit all payment to Rs. 1000 only. Provides for capping of commission per connection to Rs. 1000/-. In the case of annual plan connections, BSNL is collecting the charges for 11 months say 66000/- for 6000/- plan in advance. In this case, commission payable should be not limited to Rs. 1000/- but should be 15% / 25% of the annual plan charges collected from the customer limited to Rs. 1000/- per month for eleven months.	%age of commission to be paid to the franchisee shall be calculated based on the criteria of number of connections of the franchisee at that site. Further, the commission shall be paid to the franchisee for the same number of months for which BSNL has collected the charges with limitation of Rs. 1000/- per month per plan. For example in case BSNL is collecting charges for 11 months for annual plan, then the franchisee shall be paid commission for 11 months only.
Para (7) of the letter dated 14.11.2013 The connectivity to the DID franchisees & EPBAX should preferably be provided on OFC. In case it is given on copper the same should be shifted on OFC at the earliest. Same applies to existing DID franchisees also. Connectivity on OFC is likely to provide better quality of service which will enhance business.	Provides that the connectivity to the DID franchisee & EPABX should be preferably on OFC. OFC laying upto DID location varies from case to case basis – 500 meter to 2000 meter and beyond. It is not clarified whether the expenditure of OFC laying is to be borne by the DID franchisee or by BSNL which needs to be clarified. The present guidelines of the EB Cell issued vide Lr. No. 10-4/EB/2009-R&C dated 3/6/2009 provides for provision of OFC connectivity to the CIC needing 2 Mbps bandwidth upto 3.0 Km at the BSNL expenses on techno commercial consideration and beyond 3.0 Kms to be shared by CIC / BSNL. It is recommended that same guidelines should be made applicable as DID being CIC customer.	The Capital Expenditure Guidelines issued by RA Section of BSNLCO, New Delhi vide its letter No. 1-4/RA/BSNL/2013 dated 30-11-2013 should be adhered to in case of involvement of any CAPEX (Copy available on Intranet).
Para (9) of the letter dated 14.11.2013 No discount / commission is to be given on ISD calls.	Provides that no discount / commission is to be given on ISD calls: Present guideline provides for commission to the DID franchisee for the ISD calls, which has been withdrawn by this Para.	No discount / commission is to be given on ISD calls.

3. For any clarification, modification or suggestion, kindly refer the matter to IT-CFA Cell, BSNLCO, New Delhi.
4. In the last HoCC, it was discussed to make effective use of DID franchisees to increase BSNL Landline & Broadband services penetration. Therefore, It is once again requested that all out efforts be made to increase the business to cover the non-feasible pockets and bring back the DID franchisees who have left BSNL in the past.


(R. C. Arya)
Sr. GM (IT-CFA)

Copy to: PGM, Pune w.r.t. his office letter no. PTP/EG-127/DID
CORR./13-14/71 dated 09.12.2013