

No. File No 1-16/2009-USOF(BB-LL) 928-951
 Government of India
 Ministry of Communications & Information Technology
 Department of Telecommunications
 Sanchar Bhawan, 20 Ashoka Road, New Delhi-110 001.

Dated: 4th Aug, 2009

To
 All Principal CCAs / CCAs

Subject: Clarifications sought by the Pr. CCAs/CCAs.

Some of the CCAs have sought clarifications on issues pertaining to subsidy settlement against claims for connections provided under wire line Broadband Agreement No. 30-160/ WIRE-LINW-BB/2006 dated 20.01.2009. In this regard the issues raised and the necessary clarifications are given below.

S.No.	Issues raised	Clarification
1.	Are connections for which charges relating to registration, installation and security deposit have been recovered eligible for USOF subsidy under the Agreement?	<p>(a) Please refer to clarifications/instructions issued vide letters of even number dated 19.6.2009, 23.6.2009 and 15.7.2009 wherein it has been stated that apart from the USOF plan connections, BSNL may provide connections on other tariff plans (minimum speed 512 kbps) in accordance with the list submitted to USOF Administration under clause 14.7 of the Agreement (already stands circulated to CCA offices vide letter of No.even dated 20.6.2009), It is hereby clarified that for other tariff plans, BSNL may recover installation, registration and security deposit and these will be eligible for USOF subsidy subject to the other terms and conditions of the Agreement.</p> <p>(b) However, for USOF plan connection, no such charges may be recovered.</p> <p>(c) For broadband connections on USOF subsidized tariff plans where charges have been recovered from subscribers on account of installation/registration and/or security deposit, in contravention of the provisions of the Agreement, no subsidy in the form of Front Loaded Subsidy (FLS), Equated Annual Subsidy including subsidy for CPEs and Computing devices shall be permissible.</p>

2.	Is CPE subsidy permissible if CPE charges have been recovered from subscribers?	<p>(i) CPE subsidy is only permissible with an upper limit of 31 on net addition basis and may be claimed only if subsidized CPEs have been provided to subscribers.</p> <p>(ii) It is further clarified that CPE subsidy against a connection may be paid if it is a USOF plan connection or an eligible non USOF tariff plan connection <u>and</u> the subsidy amount of Rs. 850/- has been passed on to the customer by way of :</p> <p>(a) no charges in case of an ADSL Type-I modem; or</p> <p>(b) rebate of Rs. 850/- on modem of higher specification.</p>
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This issues with the approval of the Administrator, USOF.


(Dr Preeti Pandey)
 Dy. Administrator (Finance) I
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1. DDG, BB, USOF Administration
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