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

No: 64-73/08-Broadband

Dated 24th April, 2009

To,

The CGMT,
Assam Telecom Circle.

Subject: Clarification regarding Nova NetPC for new Broadband rural plan under USO scheme.

Kindly reference is invited to your office letter no. CGMASM/BROADBAND Dated 08-04-2009 regarding clarification in the scheme of Nova NetPC for new Broadband plan under USO scheme. The parawise clarification is as follows:

Query (1): In the circular it is mentioned that M/s Novatium shall do the marketing of BSNL's rural area broadband service with PC bundled. But prospective customers would place their requests for Nova NetPC with BSNL. BSNL, in turn, shall place requisition to M/s Novatium, who will then arrange for supply of PC from M/s HCL. This duality as above is bound to lead to misunderstanding & confusion and difficulty in fixing responsibility. Invariably, delay in PC supply would invite criticism on BSNL. Again, after the PC is supplied, the time gap in providing the modem & creating user_id by BSNL shall cause irritation.

Ans.:- The idea is to make the franchisee i.e. M/s Novatium responsible for the marketing and acquisition of the customers though the customer's request is to be routed through BSNL. The activity of channelizing the request through BSNL is to make the provisioning systemized. In clause 5(b) & 5(d) of the circular No. BSNL CO DDG (BB)/64-73/08-Broadband dated 09-03-2009, M/s HCL was inadvertently written instead of M/s Novatium. Corrected circular has already been uploaded on intranet.

Query (2): In the scheme several time frames have been specified but the penalties for non-adherence to any terms of the agreement are yet to be finalized. How such an incomplete agreement can be given effect?

Ans.:- The following penalties are proposed on the firm for delay in the supply and commissioning of the PCs:

- a. For Delay in supply of Nova NetPC at customer premises, penalty amount shall be Rs. 100/- per customer per day subject to maximum of Rs. 2500/- per customer.
- b. For delay in installation/commissioning of Nova NetPC at customer premises, penalty amount shall be Rs. 100/- per customer per day subject to maximum of Rs. 1000/- per customer.

Query (3): M/s Novatium have so far no point of presence in the North-East region. Therefore, teething problems in implementation of the scheme will certainly remain unaddressed bringing in criticism on BSNL. This flaw must be immediately corrected.

Ans.:- A letter in this regard has been addressed to M/s Novatium to ensure its commitment for execution in all areas including north east and to ensure the availability of resources / manpower for completing the work. A copy of the letter is enclosed.

Query (4): In the scheme BSNL is supposed to transfer the full USO subsidy as well as the security deposit money received from the subscriber (Rs. 4500 + Rs. 1900) to M/s Novatium without taking any security from M/s Novatium for due diligence. Hence, it is easy to take BSNL for a ride. In connivance with customers, M/s Novatium would be in a position to cheat BSNL while absorbing the USO subsidy. This is best avoided. Under similar circumstances in the past, there had been cases of fraud against BSNL in many Telecom circles.

Ans.:-There is a provision of USO subsidy only on the new subscription for NetPC services. In case of discontinuance of the service by the customer during the lock-in period, the CPE is to be recovered by M/s Novatium on its own and re-use it for other customer. M/s Novatium will not be eligible for the subsidy support for the re-use of CPEs.

Query (5): In the scheme the customer is supposed to take the Broadband connection for 3 years. But there is no binding on the customer to continue the connection. The customer can easily ditch BSNL. Also, in rural areas on account of disturbances on the road by other Agencies, the customer may have ample reasons to discontinue using the landline. If this happens it would really be embarrassing for BSNL vis-a-vis its agreement with M/s Novatium regarding payment of monthly instalments. The Agreement is silent about how such a situation would be dealt with. In insurgency prone areas of the NE region, it may not be possible to recover the Nova PC from the customer and the PC may be cannibalized also by the customer.

Ans.:- The recovery of the NetPC shall be the responsibility of M/s Novatium.

Query (6): Under the scheme every month M/s Novatium is to be paid Rs. 102.25/-, but if the customer becomes a defaulter it is not clear how this monthly instalment would be paid by BSNL to M/s Novatium.

Ans.:- The instalment will be paid to M/s Novatium on producing the claim. However before payment to Novatium, it will be verified that the customer has been billed for the same.

Query (7): In the scheme it is not clearly defined as to what items to be covered by M/s Novatium (or M/s HCL) under Tech support.

Ans.:- The items to be delivered by M/s Novatium as listed under clause (4) shall be covered under the technical support.

Query (8): In the scheme it is not clearly defined as to how situation would be dealt with in case of damage to the PC that may occur as a result of power fluctuations at the customer's premises &/or misuse by the customer &/or virus attack.

Ans.:- Damage to the NetPC is not a peculiar phenomenon. It can be covered through insurance by the customer/ M/s Novatium.



(P.K. Shah)
DGM (BS)

Copy to:

1. The CGMs, All territorial Circles for kind information please.
2. M/s Novatium for kind information and n/a please.