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भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)
BSNL 3G)))) BSNL LIVE
Faster than your thoughts 2010

No.:10-11/2011-Regln/199

14th February' 2011

To,

The Chief General Manager, BSNL,
All Telecom Circles/ Metro districts.

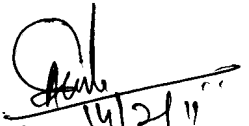
Subject: Scheme of Financial Penalty for violation of terms and conditions of License Agreement in respect of Subscriber Verification Failure Cases.

Sir,

Kindly find enclosed herewith letter No.800-20/2010-VAS dated 3-2-2011 received from DOT, vide which DOT has issued clarification on scheme of financial penalty for violation of terms and conditions of License Agreement in respect of subscriber verification failure cases. The clarifications for the same are described in the letter and are self explanatory.

It is therefore, requested to take necessary actions in the matter in accordance with the instructions issued by DOT.

Encls: As above.


(Ashok Kumar Rawat)
Addl.GM (Regulation - III)-CA

Copy to: -

GM (NWO)- CM/ GM (TF-CM)/ GM (S&M)-CM, BSNL, C.O. for kind information and necessary action please.

800- 20/ 2010-VAS
Government of India
Ministry of Communications & Information Technology
Department of Telecommunications
(Access Services Cell)
Sanchar Bhawan, 20, Ashoka Road, New Delhi – 110 001

Dated: 3rd February, 2011

To

All CMTS Licensee(s)
All UAS Licensee(s)

Subject: Scheme of Financial Penalty for violation of terms and conditions of License Agreement in respect of Subscriber Verification Failure Cases.

Ref: No. 800-52/2008-VAS-III(Part) Dated 24.12.2008

This is with reference to the instructions issued on the above mentioned subject vide this office letter Dated 24.12.2008 referred above. It has been observed that some of the CMTS/UAS Licenses have misinterpreted the applicability of the penalty slab in the above table. It is to mention that there is no scope for misinterpretation. The issue has been clarified time and again at various meetings. However, it is being observed that some of the Licensees are still misinterpreting it. Therefore, it is being clarified again.

It is reiterated that the penalty is to be calculated as per rate applicable in the slab relating to the percentage of correct subscriber verification for all the failed CAFs in the Audit.

For example, if the sample size of the CAF Audit for a month is 1000 and the number of compliant cases is 870, then the CAF audit compliance shall be 87%. The penalty slab applicable as per letter dated 24.12.2008 for all the failure cases shall be @ Rs. 10,000/-. The total penalty shall be calculated after multiplying the total no. of failed cases i.e. 130 with the applicable penalty i.e. Rs. 10,000. Thus the total penalty imposed for the above CAF audit shall be 130 X 10000 i.e. Rs. 13,00,000/-.

Any defaults in payments of penalties as per schedule given in demand notes will be dealt as per license condition and Service Providers will be responsible for all consequences.

स. स. निदेशक (सिस्टीम/सी)
ज. स. निदेशक (सिस्टीम/सी)
आ. स. /Dy. No. 157
दिनांक/Date 14/2/11

(Vinod Kumar)
Director (AS-II)

Copy to:

1. Secretary TRAI
2. DDG(Security TERM), DOT
3. All DDsG TERM Cell DOT
4. Director (AS-III)/Director (AS-IV), DOT
5. COAI/AUSPI

No. 800-52/2008-VAS-III (Part)

भारत सरकार / Government of India

संचार एवं सूचना प्रौद्योगिकी मंत्रालय / Ministry of Communications & Information Technology

दूरसंचार विभाग / Department of Telecommunications

(अभिगम सेवार्य-1 प्रभाग / Access Services-1 Cell)

संचार भवन, २०, अशोक रोड / Sanchar Bhawan, 20, Ashoka Road

नई दिल्ली - ११० ००१ / New Delhi - 110 001

Dated 24th December 2008

To

All CMTS Licensee(s)

All UAS Licensee(s)

Subject: Scheme of Financial Penalty for violation of terms and conditions of the License Agreement in respect of Subscriber verification failure cases.

This has reference to CMTS/ UAS License condition(s), which inter-alia provides that

"...The licensee shall ensure adequate verification of each and every customer before enrolling him as a subscriber; instructions issued by the licensor in this regard from time to time shall be scrupulously followed..."; and

"...The Licensor may also impose a financial penalty not exceeding Rs. 50 crores for violation of terms and conditions of licence agreement...."; and the instructions issued from time to time regarding subscriber verification including the provision that after 31st March, 2007, if any number is found working without proper verification, a minimum penalty of Rs. 1000 per violation of subscriber number verification shall be levied on the licensee apart from immediate disconnection of the subscriber number by the licensee.

2. In spite of the above provisions/ instructions regarding subscriber verification, it has been observed from the report of TERM Cells that the service providers are not complying with the requirement of subscriber verification fully. Accordingly, the matter has been reviewed and it has been decided to introduce a scheme of penalty for subscriber verification failure cases at graded scales w.e.f. 1st April 2009, so that it works as a deterrent. The graded scales are based on correct subscriber verification percentage i.e. correct subscriber verification percentage of a service provider in any service area will be ascertained and based on this percentage, a financial penalty of corresponding amount for each detected case of unverified subscriber shall be levied on account of violation in respect of subscriber verification failures from the service provider in that service area. According to the said scheme, the correct subscriber verification

MK
24.12.08

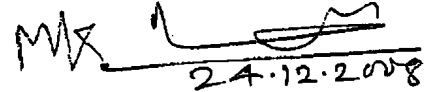
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percentage vis-à-vis financial penalty per unverified subscriber shall be as per table below:

Correct subscriber verification percentage in a service area	Amount of financial penalty per unverified subscriber
Above 95%	Rs. 1000/=
90% - 95%	Rs. 5000/=
85% - 90%	Rs. 10000/=
80% - 85%	Rs. 20000/=
Below 80%	Rs. 50000/=

3. The CMTS/UAS licensees may tighten their subscriber verification process accordingly so as to avoid imposition of financial penalty for violation of terms and conditions of License Agreement and instructions regarding subscriber verification.

4. The present provision of financial penalty @ Rs.1000/= per unverified subscriber shall continue till 31st March 2009.


24.12.2008

(M. K. Khatri)
Asst. Director (VAS-III)
Tel. 2303 6150

Copy to:

1. COAI/ AUSPI
2. DDG (AS-II)/ DDG (Security)
3. TRAI