

1422-44

No.1-5/2004-USOF (RCP) (Pt.)
Ministry of Communications & IT
Department of Telecommunication
Universal Service Obligation Fund Administration
Sanchar Bhawan, New Delhi-110001

Dated 21st October, 2008

To

All Sr.CCA/CCAs

Sub: Modification in terms and conditions of the Agreement No. 30-133/2004-USF dated 30.09.2004 – Regarding extension of roll out period for provision of RCPs by M/S RIL

Sir,

I am directed to forward a copy of letter no. 30-133/2008-USF (Vol.VI) dated 03.10.2008 from Dy. Administrator (Tech.) USOF Dept. of Telecom. Sanchar Bhawan New Delhi on the above subject for information and for further necessary action at your end.

Encl. As above

S-1
21/10/08

(S.C.Agrawal)

Assistant Administrator (F)
Tele. No. 23372430/ 23036754

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20/10

No.30-133/2008-USF (Vol. VI)
Government of India
Department of Telecommunications
Office of Administrator, USO Fund
907, Sanchar Bhawan, 20, Ashoka Road, New Delhi-110001

Dated 03.10.2008

To

Shri D. Singh,
M/s Reliance Infocomm Limited
15th Floor, Vijaya Building
17, Barakhamba Road, Connaught Place
New Delhi- 110 001

Sub: Modification in terms and conditions of the Agreement No. 30-133/2004-USF dated 30.09.2004 - Regarding extension of roll out period for provision of RCPs

Dear Sir,

Agreements No. 30-133/2004-USF dated 30.09.2004 were signed with M/s RCL in September 2004 to provide subsidy support for provision of Rural Community Phones (RCPs) in 21459 number of villages for various service areas in the country. The number of RCPs to be provided by M/s RCL has subsequently been revised to 21431 in February 2006 and 18747 in September 2008.

2. As per Clause 25.0 Schedule-II Part-V: Operating Conditions of the said Agreement, the roll out period has been prescribed as three years in phases of 20%, 40% and 40% respectively. The roll out period for the second year was subsequently extended by three months from September 2006 to December 2006 vides this office letter No. 30-133/2006-USF (Vol. V) dated 23.11.2006. The request now received from President, M/s Reliance Communications Limited vide letter dated 22.09.2008 for extension of roll out period for provision of RCPs under the aforesaid agreements has been examined and accepted by the competent authority.

3. In exercise of the powers conferred to the Administrator USO Fund under Clause 5.1 Schedule-II Part-I: General Conditions of the captioned Agreement, I have been directed to convey the approval of the Administrator USO Fund to modify the roll out clause of the said Agreement as per details given below:

Joint Secretary (Finance)
10/10/08
10/10/08

Pt. Anand
14/10/08
concerned

14/10/08
AA(F)-E

10/10/08
to (for meeting)

'25.0 Roll Out

At least 20% of the RCPs shall be provided by the Universal Service Provider within one year from the effective date of the Agreement and a minimum of 60 % of RCPs shall be provided by the end of 2nd year. The balance of the RCPs shall be provided by the end of third year from the effective date of Agreement. For the RCPs that are not provided as per the Roll-Out required to be achieved by the end of second and third year respectively from the effective date of the Agreement, without prior written concurrence of the Administrator, the delayed period shall entail recovery of Liquidated Damages (L.D.). The USP shall provide a monthly statement in **Annexure-V** containing details of the RCPs provided during the month.

Provided further, that for the RCPs that are provided within 30 calendar days of the expiry of the relevant period from the effective date, the Administrator shall accept the services without levy of the L.D. charges. For the shortfall in providing the required number of RCPs by the end of second and third year respectively, the Administrator shall be entitled to recover Liquidated Damages at the rate of 5% of front loaded subsidy payable for those RCPs for each calendar month of delay or part thereof, subject to a maximum of 10% of the front loaded subsidy thus payable for those RCPs. For the purpose of charging the Liquidated Damages, the average of the Representative Rates for the Front Loaded Subsidy of all the SSAs in the Service Area for which the Agreement has been signed shall be taken into account. The Administrator may also decide to invite fresh bids in respect of unfulfilled roll out.'

MODIFIED CONDITIONS

Schedule-II Section-IV: Operating Conditions:

'25.0 Roll Out

At least 20% of the RCPs shall be provided by the Universal Service Provider within one year from the effective date of the Agreement and a minimum of 60 % of RCPs shall be provided by the end of 2nd year. The balance of the RCPs shall be provided by the end of **four years & six months period** ~~third year~~ from the effective date of Agreement. For the RCPs that are not provided as per the Roll-Out required to be achieved by the end of second ~~year~~ and **four years & six months period** ~~third year~~ respectively from the effective date of the Agreement, without prior written concurrence of the Administrator, the delayed period shall entail recovery of Liquidated Damages (L.D.). The USP shall provide a monthly statement in **Annexure-V** containing details of the RCPs provided during the month.



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4. You are, therefore, required to get one copy of this letter duly signed by the authorized signatory of the company in token of acceptance of the above said modifications and submit the same for record and further action in this office.

Thanking You,

Yours sincerely,



(Kamal Bhagat)

Dy. Administrator (Technical), USF
Tel. No. 011- 23372088, 011-23372157(Fax)

Encl: One additional copy of this letter to be returned back duly signed

Copy to:

Joint Administrator (F), USO Fund

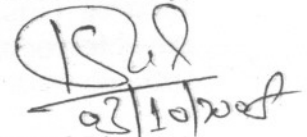
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(Kamal Bhagat)

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