

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 सेवाएँ-I प्रभाग / Access Services-I Cell)

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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

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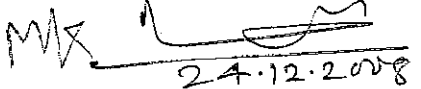
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percentage vis-à-vis financial penalty per unverified subscriber shall be as per table below:

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