

1-7/2008- USOF/Audit Objection
Ministry of Communications & IT
Department of Telecom
USOF (Finance) Branch
Room No. 1107, Sanchar Bhawan, N. Delhi-1


64
Dated: Aug, 2009

To
All the Sr CCAs, CCAs.

**Sub: Revision of Representative rate in case of Operation and Maintenance of VPTs, MARR
Replacements reg.**

Some of the CCA Offices have requested for a copy of the memo on the revision of the representative rates for the above activities which was to be conducted after the expiry of third year of the Agreement. A copy of the reply to Draft Audit Para in this regard is hereby circulated to all the CCA offices for further necessary action at their end.

Encl: As above


(Dr Preeti Pandey)
Dy Administrator Fin I
23372056 (O) 23036374

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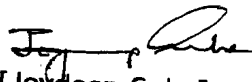
Department of Telecommunications
Office of the Administrator, USO Fund

Sub: DAP proposed by the DG of Audit (P&T) for inclusion in the Report of the CAG for the period ending 31.03.2007 on Performance Audit of "Administration of the USO Fund in the DoT"

Ref: (i) Director (AC) DoT letter No. 28-36/2007-AC dated 13.08.2007
(ii) DG Audit (P&T) D.O. No. R.R. REPORT-VI/2 (D)/8621/291 dated 09.08.2007

With reference to the above noted letters, the reply to Draft Audit Para 7.3.2 : 'Disbursement of subsidy without revision of representative rates' is furnished as under:

1. The work relating to review of representative rates in terms of clause 17.1 of the agreement for operation and maintenance of VPTs (Agreement No.30-101/2002-USF dated 28-3-2003), replacement of MARR VPTs with effect from 1-7-2003 (Agreement No.30-107/2002-USF dated 25-9-2003) and replacement of MARR VPTs installed between 1-4-2002 and 30-6-2003 (Agreement No.30-107/2002-USF dated 19-3-2004) was entrusted to the Consultant i.e. National Council of Applied and Economic Research (NCAER). The report submitted on 14.03.2007 was under examination at various levels and has since been accepted.
2. In the meantime, it was considered that withholding subsidy claims of the USPs for the entire period could affect the VPT services in the rural areas: as such subsidy claims up to the quarter ending June 2006 were released with an understanding that the reduction in the representative rates, if any, causing any over payments to the USPs would be adjusted against the claims for the quarter ending September 2006 onwards.
3. As recommended by M/s NCAER, the applicable representative rates for the period up to the 3rd year have been extended for the remaining period of Agreement. Hence, there has been no overpayment. In view of the above mentioned facts the reply may kindly be admitted and the DAP dropped.


[Joydeep Guha]
Dy. Administrator (F), USOF

File No. 30-3/2007/USOF (DAP)/Para 7.3.2