

Document	Article/ Clause	Remarks	USF Response
Request for Application to Provide USF Services (RFA)	16.3	For consistency of understanding amongst all operators, please list all elements on which sharing is required with another operator.	Any or all infrastructure which is deployed under USF programmes should be sharing compliant (passive sharing).
Request for Application to Provide USF Services (RFA)	22	With reference to the USFCo's response in the clarification document (<i>Qanda lot 789 and 12.pdf</i>), we recommend that instead of seeking prior approval of USF, intimation of change, if any, in the ownership of the Service Provider should be sufficient as understandably USFCO is not the concerned Authority for such approvals. In view of this, however, the Preamble of the Agreement (where the names of the parties appear) may be amended to the effect that reference to each party shall mean and include its successors, legal representatives and permitted assigns to counter USFCO's concern regarding adverse effects on performance of contract due to change of ownership. Furthermore, Rule 25(2) of the USF Rules requires such permission from USFCo only for Applicants entering into bidding/SSA as a Consortium.	It will not be possible for the USFCo to agree to the viewpoint that USFCo's consent should not be required and PTA's approval should suffice. USFCo requires this because it has to satisfy itself that the change in the ownership or control would not adversely affect the contract performance. This, however, does not mean that no transfer and change in ownership and control can take place if the USFCo does not consent. The only consequence is that where USFCo's consent has not been obtained, it has the right to terminate the contract. Therefore, the perception that the service provider would not be able to effect any transfer or change in the ownership and control in the presence of the clause in question is not correct.
Request for Application to Provide USF Services (RFA)	26	With reference to the minutes of the Pre-proposal meeting held on Nov 15, 2007, USFCo has agreed that the Technical Auditor will be of recognized competence and impartiality. However Article 26 of RFA provides that the Technical Auditor may be an appropriately qualified employee of USFCo and/or an external consultant. Moreover, Article 8.01 (b) of the SSA provides that the Technical Auditor may be an external consultant. In Article 8.01 (b) of earlier bids the phrase 'will be' has been replaced with 'may be' which does not ensure the appointment of external consultant as an Auditor. With reference to the USFCo's response in the clarification document (<i>Qanda lot 789 and 12.pdf</i>), we fail to understand how a Technical Auditor mutually appointed by the parties could lobby with the Service Provider. On the contrary, if such Technical Auditor is appointed solely by USFCO there is no guarantee that such appointment will not bias the successful bidder's interest. Since the Technical Auditor has a vital role in this project, therefore, we reiterate our earlier comments to ensure impartiality of Technical Auditor and maintain that the Technical Auditor should not be an employee of USFCo rather he should be an external consultant and should be appointed by mutual agreement between USFCo and the USF Service Provider.	Section 26 of the RFA and article 8 of SSA deal with the issue of appointment of Technical Auditor. Under Article 8.01 of SSA it is for USFCo to appoint a person as Technical Auditor under SSA. The stand point that the successful bidder be consulted in the process of appointment of Technical Auditor for a particular project can not be accepted by USFCo because this would compromise the impartiality of the Technical Auditor in performance of his functions. This will amount to making Technical Auditor's appointment dependent on the consent of the successful bidder. In other words, the party being audited will decide on the appointment of the Auditor which cannot be accepted.
Request for Application to Provide USF Services (RFA)	33.4	The changes agreed by USFCO in the pre-proposal meeting and responses to the bidders' queries related to the RFA, SSA and the related documents should be classified as changes in the RFA and SSA documents. (including associated <u>annexure and schedules</u>)	This RFA including Annexures and schedules supersedes the previous information package. To avoid any confusion/conflict, please ignore the previous RFA and follow the new RFA
Request for Application to Provide USF Services (RFA)	39.4(d)	With reference to the USFCo's response in the clarification document (<i>Qanda lot 789 and 12.pdf</i>), USFCo has still not clarified if bid bond shall be returned to the recipient of the LOI if the USF Services and Subsidy agreement is not signed and the recipient of the LOI is not fully responsible for the non-signing of the agreement e.g. the delay in signing of Services & Subsidy Agreement occurs due to USF or any other reason not solely attributable to Applicant.	Bidbond will be forfeited only in situations specified in the said clause.
Request for Application to Provide USF Services (RFA)	49	USFCo should clearly specify the extent to which the project for the USF lots is partially or fully funded by the World Bank.	Offer of World Bank is under consideration. In case it is approved the bidders will be informed accordingly. However the referred clause still applies in substance.

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Request for Application to Provide USF Services (RFA)	54	We propose that the Performance Bond (PB)/Irrevocable Bank Guarantee (IBG) should initially be issued with a validity of one year, to be renewed at each anniversary till the expiry of 5 years. We will submit another PB/IBG with validity of next one year one month before the expiry of the previous PB/IBG. This is due to the fact that banks are generally hesitant to issue PB of large amounts having 5 years validity.	Please refer to the article 6 (Performance Security) of the SSA and IBG format as available in Schedule F & F(1) to the SSA.
Draft Services and Subsidy Agreement (SSA)	2.05.a	For consistency of understanding amongst all operators, please list all elements on which sharing is required with another operator.	Any or all infrastructure which is deployed under USF programmes should be sharing compliant (passive sharing).
Draft Services and Subsidy Agreement (SSA)	3.02	With reference to the USFCo's response in the clarification document (<i>Qanda lot 789 and 12.pdf</i>), we recommend that instead of seeking prior approval of USF, intimation of change, if any, in the ownership of the Service Provider should be sufficient as understandably USFCO is not the concerned Authority for such approvals. In view of this, however, the Preamble of the Agreement may be amended to the effect that reference to each party shall mean and include its successors, legal representatives and permitted assigns to counter USFCO's concern regarding adverse effects on performance of contract due to change of ownership. Furthermore, Rule 25(2) of the USF Rules requires such permission from USFCo only for Applicants entering into bidding/SSA as a Consortium.	It will not be possible for the USFCo to agree to the viewpoint that USFCo's consent should not be required and PTA's approval should suffice. USFCo requires this because it has to satisfy itself that the change in the ownership or control would not adversely affect the contract performance. This, however, does not mean that no transfer and change in ownership and control can take place if the USFCo does not consent. The only consequence is that where USFCo's consent has not been obtained, it has the right to terminate the contract. Therefore, the perception that the service provider would not be able to effect any transfer or change in the ownership and control in the presence of the clause in question is not correct.
Draft Services and Subsidy Agreement (SSA)	4.01.a	We maintain that the penalties need to be made more reasonable and in line with the extent of work left outstanding at the time of completion of the Final Implementation date. Details regarding the penalties should be mutually agreed between USFCo and the USF Service Provider in the USF Services and Subsidy Agreement. Moreover, what would happen if the issuance of Force Majeure Certification is delayed on part of the Technical Auditor as the same should not then amount to failure of performance?	The penalties are reasonably flexible and they are designed so as to take into account the specific circumstances of a particular situation.
Draft Services and Subsidy Agreement (SSA)	4.01.a.i	We maintain that the penalties need to be made more reasonable and in line with the extent of work left outstanding at the time of completion of the Final Implementation date. Details regarding the penalties should be mutually agreed between USFCo and the USF Service Provider in the USF Services and Subsidy Agreement. Moreover, what would happen if the issuance of Force Majeure Certification is delayed on part of the Technical Auditor as the same should not then amount to failure of performance?	The penalties are reasonably flexible and they are designed so as to take into account the specific circumstances of a particular situation.
Draft Services and Subsidy Agreement (SSA)	4.01.a.ii	We maintain that the penalties need to be made more reasonable and in line with the extent of work left outstanding at the time of completion of the Final Implementation date. Details regarding the penalties should be mutually agreed between USFCo and the USF Service Provider in the USF Services and Subsidy Agreement. Moreover, what would happen if the issuance of Force Majeure Certification is delayed on part of the Technical Auditor as the same should not then amount to failure of performance?	The penalties are reasonably flexible and they are designed so as to take into account the specific circumstances of a particular situation.

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Draft Services and Subsidy Agreement (SSA)	4.01.a.iv	We maintain that the penalties need to be made more reasonable and in line with the extent of work left outstanding at the time of completion of the Final Implementation date. Details regarding the penalties should be mutually agreed between USFCo and the USF Service Provider in the USF Services and Subsidy Agreement. Moreover, what would happen if the issuance of Force Majeure Certification is delayed on part of the Technical Auditor as the same should not then amount to failure of performance?	The penalties are reasonably flexible and they are designed so as to take into account the specific circumstances of a particular situation.
	4.01 a v	We maintain that the penalties need to be made more reasonable. USFCo's estimate of the liquidated damages should be conclusive only after mutual agreement of the Service Provider	Penalties are reasonable. Needs no change.
Draft Services and Subsidy Agreement (SSA)	4.01.b	We maintain that the penalties need to be made more reasonable and in line with the extent of work left outstanding at the time of completion of the Final Implementation date. Details regarding the penalties should be mutually agreed between USFCo and the USF Service Provider in the USF Services and Subsidy Agreement. Moreover, what would happen if the issuance of Force Majeure Certification is delayed on part of the Technical Auditor as the same should not then amount to failure of performance?	The penalties are reasonably flexible and they are designed so as to take into account the specific circumstances of a particular situation.
Draft Services and Subsidy Agreement (SSA)	4.02.a	We maintain that the penalties need to be made more reasonable and in line with the nature and the extent (deviation from the acceptable value) of the QOS parameter(s) which is/are not met. Details regarding the penalties imposed for not meeting these parameters should be mutually agreed between USFCo and USF Service Provider in the USF Services and Subsidy Agreement.	The penalties are reasonably flexible and they are designed so as to take into account the specific circumstances of a particular situation.
Draft Services and Subsidy Agreement (SSA)	4.02.a.i	We maintain that the penalties need to be made more reasonable and in line with the nature and the extent (deviation from the acceptable value) of the QOS parameter(s) which is/are not met. Details regarding the penalties imposed for not meeting these parameters should be mutually agreed between USFCo and USF Service Provider in the USF Services and Subsidy Agreement	The penalties are reasonably flexible and they are designed so as to take into account the specific circumstances of a particular situation.
Draft Services and Subsidy Agreement (SSA)	4.02.a.ii	We maintain that the penalties need to be made more reasonable and in line with the nature and the extent (deviation from the acceptable value) of the QOS parameter(s) which is/are not met. Details regarding the penalties imposed for not meeting these parameters should be mutually agreed between USFCo and USF Service Provider in the USF Services and Subsidy Agreement	The penalties are reasonably flexible and they are designed so as to take into account the specific circumstances of a particular situation.
Draft Services and Subsidy Agreement (SSA)	4.02.a.iv	We maintain that the penalties need to be made more reasonable and in line with the nature and the extent (deviation from the acceptable value) of the QOS parameter(s) which is/are not met. Details regarding the penalties imposed for not meeting these parameters should be mutually agreed between USFCo and USF Service Provider in the USF Services and Subsidy Agreement.	The penalties are reasonably flexible and they are designed so as to take into account the specific circumstances of a particular situation.
Draft Services and Subsidy Agreement (SSA)	4.03	Same as those above for Articles 4.01a and 4.02 above.	Same as those above for Articles 4.01a and 4.02 above.

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Draft Services and Subsidy Agreement (SSA)	6.01.b	We propose that the Performance Bond (PB)/Irrevocable Bank Guarantee (IBG) should initially be issued with a validity of one year, to be renewed at each anniversary till the expiry of 5 years. We will submit another PB/IBG with validity of next one year one month before the expiry of the previous PB/IBG. This is due to the fact that banks are generally hesitant to issue PB of large amounts having 5 years validity.	Please refer to the article 6 (Performance Security) of the SSA and IBG format as available in Schedule F & F(1) to the SSA.
Draft Services and Subsidy Agreement (SSA)	7.01	The insurance liability shall cover only the following: 1. Fire 2. Riots 3. Case in safe and transit 4. Comprehensive Insurance of Vehicles 5. Natural disaster 6. Public Liability 7. War 8. Marine covers for imports 9. Thrid party legal liability 10. Employees group policy	In addition to the listed insurance coverages, insurance must also cover third party bodily injury, loss of life, full legal defence costs for any litigation, related to this Project, against the Service Provider and/or USF by any third party. Additionally, comprehensive insurance for all properties and assets in the USF network shall be arranged. All insurance policies will name USFCo as additional insured. For property & assets insurance, the basis of loss settlements shall be replacement costs with like kind and quality. For any further clarification, please refer to article 7 of the SSA.
Draft Services and Subsidy Agreement (SSA)	7.01.a.	Same as above (7.01)	Same as Above (7.01)
Draft Services and Subsidy Agreement (SSA)	7.01.b.	Same as above (7.01). Furthermore, Insurance is based on book value at time of loss occurrences and not on replacement cost basis. This is a standard practice and insurance companies do not have provisioning for catering claims on basis of replacement cost.	All insurance policies shall be arranged in such a manner that the settlement value (minimum limits) received for any damaged property and/or assets shall be sufficient to repair or replace the damaged property and/or assets to their original state and quality.
Draft Services and Subsidy Agreement (SSA)	7.02.a.	Same as given against clause (7.01) above	Same as given against clause (7.01) above
Draft Services and Subsidy Agreement (SSA)	7.02.b.	Same as given against clause (7.01) above	Same as given against clause (7.01) above
Draft Services and Subsidy Agreement (SSA)	7.02.c.	We cannot commit to provide USFCo with the certificates of insurance within 30 days of the Effective Date and within 14 days of any change in the coverage as the insurance can only be provided for an asset that is physically installed/deployed.	Article 7 of the SSA requires that all insurance policies shall be arranged on a blanket broad form basis within 30 days of the Contract signing. The insurance certificate to this effect shall be submitted to USFCo within 30 days of contract signing. Blanket broad form basis means that the Service Provider will inform their respective insurance agents of the total area and total value of the Project, based on which insurance company shall issue a blanket cover for the Project. As the Project progresses and actual equipment is installed at the sites, the Service Provider will continue to inform their insurance company of such progress and the insurance company will issue endorsement letters certifying that the equipment and their values have been incorporated in the insurance policy. Such endorsement letters shall be submitted to USFCo within 14 days of their issuance.

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Draft Services and Subsidy Agreement (SSA)	8.01.a.	<p>With reference to the minutes of the Pre-proposal meeting held on Nov 15, 2007, USFCo has agreed that the Technical Auditor will be of recognized competence and impartiality. However Article 26 of RFA provides that the Technical Auditor may be an appropriately qualified employee of USFCo and/or an external consultant. Moreover, Article 8.01 (b) of the SSA provides that the Technical Auditor may be an external consultant. In Article 8.01 (b) of earlier bids the phrase 'will be' has been replaced with 'may be' which does not ensure the appointment of external consultant as an Auditor. With reference to the USFCo's response in the clarification document (<i>Qanda lot 789 and 12.pdf</i>), we fail to understand how a Technical Auditor mutually appointed by the parties could lobby with the Service Provider. On the contrary, if such Technical Auditor is appointed solely by USFCO there is no guarantee that such appointment will not bias the successful bidder's interest. Since the Technical Auditor has a vital role in this project, therefore, we reiterate our earlier comments to ensure impartiality of Technical Auditor and maintain that the Technical Auditor should not be an employee of USFCo rather he should be an external consultant and should be appointed by mutual agreement between USFCo and the USF Service Provider.</p>	<p>Section 26 of the RFA and article 8 of SSA deal with the issue of appointment of Technical Auditor. Under Article 8.01 of SSA it is for USFCo to appoint a person as Technical Auditor under SSA.</p> <p>The stand point that the successful bidder be consulted in the process of appointment of Technical Auditor for a particular project can not be accepted by USFCo because this would compromise the impartiality of the Technical Auditor in performance of his functions. This will amount to making Technical Auditor's appointment dependent on the consent of the successful bidder. In other words, the party being audited will decide on the appointment of the Auditor which cannot be accepted.</p>
Draft Services and Subsidy Agreement (SSA)	8.01 b	<p>With reference to the minutes of the Pre-proposal meeting held on Nov 15, 2007, USFCo has agreed that the Technical Auditor will be of recognized competence and impartiality. However Article 26 of RFA provides that the Technical Auditor may be an appropriately qualified employee of USFCo and/or an external consultant. Moreover, Article 8.01 (b) of the SSA provides that the Technical Auditor may be an external consultant. In Article 8.01 (b) of earlier bids the phrase 'will be' has been replaced with 'may be' which does not ensure the appointment of external consultant as an Auditor. With reference to the USFCo's response in the clarification document (<i>Qanda lot 789 and 12.pdf</i>), we fail to understand how a Technical Auditor mutually appointed by the parties could lobby with the Service Provider. On the contrary, if such Technical Auditor is appointed solely by USFCO there is no guarantee that such appointment will not bias the successful bidder's interest. Since the Technical Auditor has a vital role in this project, therefore, we reiterate our earlier comments to ensure impartiality of Technical Auditor and maintain that the Technical Auditor should not be an employee of USFCo rather he should be an external consultant and should be appointed by mutual agreement between USFCo and the USF Service Provider.</p>	<p>The USF board has decided in favour of retaining option of either appointing an external or an internal Technical Auditor. Therefore, this option is being retained in the bidding documents. The reason for retaining this option is that the TA to be appointed has to be of recognized competence and impartiality and this option will help in ensuring this requirement. The stand point that the successful bidder be consulted in the process of appointment of Technical Auditor for a particular project can not be accepted by USFCo because this would compromise the impartiality of the Technical Auditor in performance of his functions. This will amount to making Technical Auditor's appointment dependent on the consent of the successful bidder. In other words, the party being audited will decide on the appointment of the Auditor which cannot be accepted.</p>

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Draft Services and Subsidy Agreement (SSA)	8.01.e.	With reference to the minutes of the Pre-proposal meeting held on Nov 15, 2007, USFCo has agreed that the Technical Auditor will be of recognized competence and impartiality. However Article 26 of RFA provides that the Technical Auditor may be an appropriately qualified employee of USFCo and/or an external consultant. Moreover, Article 8.01 (b) of the SSA provides that the Technical Auditor may be an external consultant. In Article 8.01 (b) of earlier bids the phrase 'will be' has been replaced with 'may be' which does not ensure the appointment of external consultant as an Auditor. With reference to the USFCo's response in the clarification document (<i>QandA lot 789 and 12.pdf</i>), we fail to understand how a Technical Auditor mutually appointed by the parties could lobby with the Service Provider. On the contrary, if such Technical Auditor is appointed solely by USFCO there is no guarantee that such appointment will not bias the successful bidder's interest. Since the Technical Auditor has a vital role in this project, therefore, we reiterate our earlier comments to ensure impartiality of Technical Auditor and maintain that the Technical Auditor should not be an employee of USFCo rather he should be an external consultant and should be appointed by mutual agreement between USFCo and the USF Service Provider.	Section 26 of the RFA and article 8 of SSA deal with the issue of appointment of Technical Auditor. Under Article 8.01 of SSA it is for USFCo to appoint a person as Technical Auditor under SSA. The stand point that the successful bidder be consulted in the process of appointment of Technical Auditor for a particular project can not be accepted by USFCo because this would compromise the impartiality of the Technical Auditor in performance of his functions. This will amount to making Technical Auditor's appointment dependent on the consent of the successful bidder. In other words, the party being audited will decide on the appointment of the Auditor which cannot be accepted.
Draft Services and Subsidy Agreement (SSA)	8.01 f	The replacement of Technical Auditor should also be in consultation with USF Service Provider.	The same process which has been provided for the appointment of a TA will be applied in case of any replacement of TA.
Draft Services and Subsidy Agreement (SSA)	8.03.a	A formal request has to be made for access to Mobilink sites (switch/cell BTSs) following which an appointed personnel will accompany to the location	Noted.
Draft Services and Subsidy Agreement (SSA)	12.01.a	Third Party indemnifications by USF Service Provider cannot be assured in favor of USFCO. Indemnity is to be provided by both parties and it is not standard to have one sided indemnity.	Third party indemnification is to be provided by the service provider, since service provider is the owner & operator of the network and deals with the third parties.
Draft Services and Subsidy Agreement (SSA)	12.01.b	This would be applicable only when the contents of Article 12.01 are agreed upon.	Contents of Article 12.01a are binding. Therefore, this clause is applicable in full force.
Draft Services and Subsidy Agreement (SSA)	13.04.b	With reference to the USFCo's response in the clarification document (<i>QandA lot 789 and 12.pdf</i>), the contract can be extended if the Force Majeure continues beyond a period of six (6) months, or if such Force Majeure makes performance of the Contract impossible and economically burdensome then that may be sufficient ground/reason to terminate the Contract, without of course making it into a material breach.	Under Clause 13.04 of the SSA USFCo may, in its sole discretion, deem the service provider to be in material breach of the agreement in accordance with clause 15.03 which entitles it to terminate the contract if a Force Majeure Event lasts for more than six months. The reason is that the obligation of the Service Provider to perform its obligations under the contract, inter-alia, of completing the milestones is independent of fault. This principle of strict liability is modified in case of force Majeure for a period up to six months. After that the principle of strict liability revives and failure to perform after six months even on account of force Majeure entitles the USFCo to terminate the contract.

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Draft Services and Subsidy Agreement (SSA)	15.02.a.i	Re-organization of a Service Provider should not lead to termination. Thirty (30) days may be a short time to remedy default; therefore, the same may be extended to ninety (90) days. With reference to the USFCO's response in the clarification document (QandA lot 789 and 12.pdf), USFCO's discretion to terminate the Contract may be acceptable to the extent where a Receiver is appointed for the winding up purposes. However, including reference to reorganization and arrangement of a company in the same context is uncalled for and, therefore, recommended to be deleted	Article 15.02 (a)(i) deals with a situation where a custodian or receiver or receiver and manager or any other official with similar powers has been appointed for the USF Service Provider or for the substantial portion of its properties or assets. In that case, the article provides that if such appointment has not been dismissed or discharged within 30 days thereof, the USFCO may terminate the agreement. We think that 30 days is not short period evidently because those aggrieved with the appointment order would not lose any time to go to the court to get the appointment dismissed or discharged.
Draft Services and Subsidy Agreement (SSA)	15.02.a.ii	Thirty (30) days may be a short time to remedy default, therefore, the same may be extended to ninety (90) days. With reference to the USFCO's response in the clarification document (QandA lot 789 and 12.pdf),we reiterate that 30 days is a short period to remedy default where court proceedings are involved. Despite best efforts by a party, court proceedings take longer and decisions are given in due course of time.	With regard to Article 15.02 (a)(ii) of the SSA, USFCO is of the view that the period of 30 days is not "short period", because the aggrieved party should, without any loss of time, get the petition dismissed or discharged
Draft Services and Subsidy Agreement (SSA)	15.02(b)	Re-organization of a Service Provider should not lead to termination. Sixty (60) days may be a short time to remedy default, therefore, the same may be extended to ninety (90) days	No change is required
Draft Services and Subsidy Agreement (SSA)	15.04(b)	As per Article 15.03(a) of the draft SSA, USF Service Provider would be entitled to terminate the Agreement in case of material default by USFCO. However, upon such termination the USF Service Provider is only entitled to subsidy payments for Project Implementation Milestones achieved prior to effective date of termination. This seems unfair – considering that the USF Service Provider would have entered upon the project on the basis that full subsidy would be provided, and this should not therefore be denied to the USF Service Provider where termination is on account of material default by USFCO itself. It would be reasonable to require full subsidy in this case.	No change is required
Draft Services and Subsidy Agreement (SSA)	16.01.b	Twenty four (24) hours notice for appointment of Auditors may be extended to at least seven (7) days.	The clause refers to USFCO's right to send its auditors or other appointed representatives to the USF Service Provider's "Places of Business" for the purpose of auditing or otherwise inspecting the information and records of the USF Service Provider pertaining in any way to the performance of the Agreement. Notice time for such events is "atleast 24 hours" which is a sufficient time to be managed at Service Provider's Place of Business.
Schedule "A" to the draft SSA	1.c.i.b	Providing incoming voice calls facility on PCO should not be made mandatory requirement as the primary function of a PCO is to provide the facility of making outgoing calls.	This is a mandatory requirement.
Schedule "A" to the draft SSA	1.c.ii.d.	This clause should not be mandatory requirement as the service Providers (e.g. as in our case) do not provide subscriber terminal or Customer Premises Equipment to customers.	This clause is not concerned with the terminals being provided by the Service Provider. The subscriber terminal or CPE compatible with the Service Provider's Network should be commonly available in the Market at the same price as for the <u>Urban Customers</u> .
Schedule "B" to the draft SSA	1.b.i.c	Provision of incoming or outgoing fax service at Telecentres should not be a mandatory requirement.	Fax is an essential part of the Telecenter. Therefore, this is a mandatory requirement.
Schedule "B" to the draft SSA	1.b.i.c.i	Provision of incoming or outgoing fax service at Telecentres should not be a mandatory requirement.	Fax is an essential part of the Telecenter. Therefore, this is a mandatory requirement.

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Schedule "B" to the draft SSA	1.b.i.c.ii	Provision of incoming or outgoing fax service at Telecentres should not be a mandatory requirement.	Fax is an essential part of the Telecenter. Therefore, this is a mandatory requirement.
Schedule "B" to the draft SSA	2.a.	Reference to the minutes of the Pre-proposal meeting held on Nov 15, 2007 and USFCo's response in the clarification document (QandA lot 789 and 12.pdf), we understand that the average (and not minimum) data transfer rate of 50 kbps is to be provided at Moza's having Telecentres (population 10,000 or higher).	Average data transfer rate of 50Kbps shall be provided at Muzas with Telecentres (Population 10,000 or higher)
Schedule "D" to the draft SSA	3.a.	In line with the previous lots, the achievement of the first milestone should also be at the discretion and convenience of the USF Service Provider.	It is a mandatory requirement to deliver first milestone within 6 months from the Contract signing date.
Schedule "E" to the draft SSA	1.a.iii	Since this clause is related to material events of default, it is necessary that the type and number of repeated failures and the cumulative effect of repeated failures on public use of the USF services should be defined in tangible terms.	In our view clause 1(a)(iii) of Schedule E sufficiently defines "repeated failure" as one the cumulative effect of which significantly affects public use or enjoyment of the USF services in the USF Areas
Schedule "E" to the draft SSA	1.a.iv	We maintain that this clause should be removed (as it includes reference to Article 3 of SSA, that is, 3.02 being directly applicable to which we have reservations) and PTA's approval should be sufficient for transfer and changes in the ownership of the USF Service provider. We understand that the Performance Bond and Equipment Lien provisions provide adequate security to USFCo against any risk or performance management purposes. Furthermore, Rule 25(2) of the USF Rules requires such permission from USFCo only for Applicants entering into bidding/SSA as a Consortium.	It will not be possible for the USFCo to agree to the viewpoint that USFCo's consent should not be required and PTA's approval should suffice. USFCo requires this because it has to satisfy itself that the change in the ownership or control would not adversely affect the contract performance. This, however, does not mean that no transfer and change in ownership and control can take place if the USFCo does not consent. The only consequence is that where USFCo's consent has not been obtained, it has the right to terminate the contract. Therefore, the perception that the service provider would not be able to effect any transfer or change in the ownership and control in the presence of the clause in question is not correct.
Schedule "E" to the draft SSA	1.a.viii	The nature and type of other material breaches referred in this clause (which are not covered in the schedule E) should be such that they cause a significant degradation (extent to be agreed mutually between the USF service provider and USFCo in the SSA) in the availability of the USF services.	Clause 1(a)(viii) of Schedule E is very clear and has brought into its fold all material breaches which are not capable of being cured.

Document	Article/ Clause	Remarks	USF Response
Schedule "F" to the draft SSA		<p>We propose that the Performance Bond (PB)/Irrevocable Bank Guarantee (IBG) should initially be issued with a validity of one year, to be renewed at each anniversary till the expiry of 5 years. We will submit another PB/IBG with validity of next one year one month before the expiry of the previous PB/IBG. This is due to the fact that banks are generally hesitant to issue PB of large amounts having 5 years validity.</p> <p>The following two paragraphs should be added at end of the IBG letter:</p> <p>“Notwithstanding any thing mentioned herein above the Bank’s liability under this guarantee is restricted to (Value) and we shall stand discharged with all of our liabilities after (date of expiry of IBG)”</p> <p>On receipt of our total payment as undertaken herein upon expiry of the guarantee date, your will return to us this guarantee duly discharged or cancelled but your failure to do so will not adversely affect us as our liability will be extinguished on such total payment or upon expiry of the guarantee date.</p>	<p>Please refer to the article 6 (Performance Security) of the SSA and IBG format as available in Schedule F & F(1) to the SSA.</p>
For all documents	-	<p>It is proposed that the bidders shall not be printing hard copies of the following documents as part of the bidding proposal because these documents have not undergone any change since the submission of last USF Lot and its printing and copying involves unjustified effort.</p> <ol style="list-style-type: none"> 1. Financial audited statements (of the last two years) 2. Technical specification documents of the equipments used 3. Memorandum and articles of association 4. Copy of PTA License <p>All these documents will however be available in the soft copy (in the form of CD) of the proposal.</p>	<p>With reference to the USFCo’s response in the clarification document (QandA lot 789 and 12.pdf), the requirements have already been agreed upon. However, USF may ask for the hard copy if required at any stage of the bidding /project. Bidders must provide an undertaking that the previously submitted documents are valid and up to date.</p>