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## **Comments: Consultation Paper on Implementation Model for BharatNet**

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1. Sistema Shyam Teleservices Limited (SSTL) welcomes opportunity extended by TRAI to comment on the consultation paper on Implementation Model for BharatNet.
2. Governments across the world have recognized the importance of broadband in nation building and have invested heavily on national broadband projects. The Government of India's efforts of taking high-speed broadband up to the village level is highly encouraging. By investing on fiber network infrastructure, the Government will not only connect remote areas, but will also lay the foundation for new economic activities, that will, in turn, spur inclusive growth, skill-building, and employment generation.
3. Given the costs involved in implementing optic fibre based broadband in a vast country like India, innovative financing and contractual models will be a necessity if the ambitious NOFN targets are to be realised. The participation of private players is very important for faster rollout of optic fibre network across the length and breadth of vast country like India. The private participation will not only bring efficiency into the processes but also help in fair and competitive pricing of high speed digital services. Moreover, the innovation in marketing, operations and business process proven by private players can help in faster and greater adoption of high bandwidth services in the remote and rural areas.
4. The Government needs to encourage private players appropriately for their participation in the implementation of NOFN project and provide liberal policies and funding support for optimal utilization of existing and new fibre network in the future. Additionally to boost the demand, it is important to highlight the opportunities enabled by the NOFN network and increased business productivity.
5. The rolling out of NOFN infrastructure has paved the way for relevant e-services, but to operationalize those services, various stakeholders need to come together. There is a clear need for cost-effective devices, vernacular content and low-cost applications relevant to local users, competitive tariffs,



a step ahead

etc. The ideal NOFN ecosystem is one that will involve the central and state Governments, the providers of enabling products and services (both public and private), and local governing bodies to drive and monitor these services at a grass root level.

Our specific comment on the issues raised in the consultation paper is as below:

**Q.1 The “Report of the Committee on NOFN” has recommended three models and risks/advantages associated with these models. In your opinion what are the other challenges with these models?**

**&**

**Q.2 Do you think that these three models along with implementation strategy as indicated in the report would be able to deliver the project within the costs and time-line as envisaged in the report? If not, please elucidate.**

There is no single model that suits every situation, and a managing authority must consider the pros and cons of each model and how it might fit the particular situation in which it finds itself.

In our view the CPSU-led along with active participation of private sector and the Private sector – led (EPC/Consirtia) models suggested by the Committee on NOFN, could be well suited for implementation of BharatNet.

We understand that the primary reason for not taking off the project as per the committee prescribed models is that the implementation of the project is not being driven properly.

In public-sector broadband projects the long-term needs of individuals must be prioritized, and for this reason a managing authority might favour those models which give the public sector a greater degree of control over the operations of the project, to ensure those long-term needs are met. However, working with the private sector can bring a number of advantages, including access to expertise and commercial discipline that can ensure that the project is delivered efficiently. In particular, the involvement of private telecommunication operators can help to ensure the sustainability of the project, as their expertise and experience will prove invaluable in adapting to changes in the market or embracing technological developments. Nevertheless, a managing authority should



consider private investment from both within and outside the telecommunication sector, including operators, institutional investors, utilities, end users, content providers and equipment providers. It is essential to engage with potential private partners at an early stage of the planning process.

It is pertinent to mention that a significant amount of fibre has been laid by private operators and should be considered for implementation of BharatNet. It is imperative that for the success of BharatNet, the same should be utilized to ensure optimization of cost and time.

**Q.3 Do you think that alternate implementation strategy of BOOT model as discussed in the paper will be more suitable (in terms of cost, execution and quality of construction) for completing the project in time? If yes, please justify.**

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**Q.4 What are the advantages and challenges associated with the BOOT model?**

No, the alternate implementation strategy of BOOT model as discussed in the paper will not be more suitable (in terms of cost, execution and quality of construction) for completing the project in time. The reason for the same has been highlighted in our response to Q.1 & Q.2 above.

**Q.5 What should be the eligibility criteria for the executing agency so that conflict of interest can be avoided?**

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**Q.7 What measures are required to be taken to avoid monopolistic behaviour of executing agency?**

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**Q.8 What terms and conditions should be imposed on the executing agency so that it provides bandwidth/fibre in fair, transparent and non-discriminatory manner?**

As indicated above, we do not subscribe to the BOOT Model for BharatNet. However, whichever model is adopted, it would be necessary to define the eligibility criteria for the entities implementing the project should have a track record of technical and project implementation and management capabilities with adequate experience, expertise and financial capability.



a step ahead

The ideal NOFN ecosystem is one that will involve the Central and State Governments, the providers of enabling products and services (both public and private), and local governing bodies to drive and monitor these services at a grass root level.

The necessary safeguards like conflict of interests / monopolistic behavior of the implementation agency and TRAI to regulate the whole sale prices of the services that are provided over the network need to be built in to ensure that the resources created are shared with the users in a fair, transparent and non-discriminatory manner.

**Q.6 Should there be a cap on number of States/ licensed service area to be bid by the executing agency?**

No, there should not be any cap on the number of states/licensed service area to be bid by the executing agency. As indicated above the executing agency should be selected based on certain eligibility criteria. Therefore there should not be any restriction/cap in terms of number of states/licensed service area since the executing agency has been assigned the task post meeting the qualifying criteria.

**Q.9 What flexibility should be given to the agency in terms of selection of route of laying optical fibre, construction, topology and deployment of technology?**

The implementation agency should have the flexibility to consider alternate options viz. alternate architecture, selection of alternate routes, choice of alternate network topology etc. if it finds the existing one inappropriate & inefficient.

The changes asked for by the implementation agency should be approved / rejected, in a fixed time frame, by the approving agency.

**Q.10 What should be the methodology of funding the project? In case of VGF, what should be the method to determine the maximum value of VGF for each State/ service area and what should be the terms and conditions for making payments?**



a step ahead

We have no comments to offer in view of our response to Q.3.

**Q.11 What kind of fiscal incentive and disincentive be imposed on the agency for completing the project in time/early and delaying the project?**

For the successful completion of the BharatNet project, it is important to define the following incentives as well as the disincentives on the implementation agency which could be:

- Taking into consideration the existing fibre & infrastructure of the TSPs would be the most appropriate incentive for the private TSPs to participate actively in execution and operationalization of BharatNet project.
- Any delay in project implementation should have provision of punitive action, subject to the delays not being attributable to issues beyond the control of the implementation agency e.g. ROW, delay in clearances, etc. Similarly, there should be financial incentive for early completion.

**Q.12 What should be the tenure/period after which the ownership of the project should be transferred to the Government?**

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**Q.13 Do you think that some measures are to be put in place in case the executing agency earns windfall profits? How should windfall profits be defined?**

We have no comments to offer in view of our response to Q.3.

**Q.14 Whether there is a need to mandate the number of fibres to be offered as a dark fibre to other operators to ensure more than one operator is available for providing bandwidth at GP level?**

There is a need to mandate:

- (a) laying of minimum 48 core fibre and
- (b) reserving a minimum of 50% of fibres to be offered as a dark fibre to other operators to ensure more than one operator is available for providing bandwidth at GP level.



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**Q.15 What measures are required so that broadband services remain affordable to the public at large?**

It is imperative to create conducive operating environment for providing innovative and affordable mobile broadband services to the citizens for the overall development of the nation. This can be ensured through a number of ways viz. by the use of innovative technology, by ensuring competition in providing bandwidth to retail TSP/ISP/CSPs, by allowing central & state Governments and their agencies to buy bandwidth through the transparent process of competitive procurement for providing services.

**Q.16 What safeguards are to be incorporated in the agreement entered between Government and executing agencies if RoW is not being granted to the executing agency in time?**

We suggest that a Tripartite Agreement amongst the Central Government, the State Government/Local bodies and the implementation agency with a clause that the Government should take responsibility to clear roadblocks that arises on account of Right of Way, Power supply, Space and any other aspects related to clearance etc. for expeditious and timely execution of the project.

**Q.17 The success of BOOT Model depends on participation of private entities which will encourage competition. What measures should be adopted to ensure large scale participation by them?**

We have no comments to offer in view of our response to Q.3.

**Q.18 Please give your comments on any other related matter not covered above.**

We have no other comments to offer

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