

16<sup>th</sup> December, 2015

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**Sub : TRAI Consultation Paper on Implementation Model for BharatNet**

Dear Sir,

This has reference to the recent consultation paper released by TRAI seeking stakeholders inputs on various issues raised in the consultation paper on '*Implementation Model for BharatNet*'

While various issues have been raised in the consultation paper, we would like to limit our comments on the few key points, as under.

**1) Three models of Implementation Strategy as recommended by the Committee**

**a) State Government Led Model :**

With regard to State Government led model, because of the nature of high-technology and complexity involved in implementation of this project of national importance, State Governments may not be an optimal choice to implement the BharatNet project.

Implementation of State Wide Area Networks (SWAN) is one of the examples. Unfortunately, the whole SWAN program took more than a decade to materialize in all the states and it is pertinent to note that even today some states are still tendering.

This is basically happened because of inadequate Technical resources with the state governments and lack of professional project management capabilities, besides lack of appreciation on the part of administration on the benefits of SWAN.

Moreover, in State government led model there are risks related to ensuring national uniformity for effective central control and monitoring and adherence to technical standards.

## **b) Private Sector-Led**

It is a well-known fact that except BSNL, no private operator fulfilled their obligations of rolling out services in the rural areas.

The earlier approach followed in this regard in various projects of national importance were not successful.

Some of the earlier schemes with this approach failed. For e.g.,

- USOF scheme of Mobile infrastructure roll out in rural areas.
- The CSC program of GoI under NeGP failed because no Operator was in a position to make data connectivity available for the CSCs.

Also because of the shared / distributed responsibilities amongst various stakeholders, Private-sector led consortium will not be suitable option for implementation of the BharatNet project.

If only existing Telcos had fulfilled their rural obligations, USOF subsidy scheme might not have been conceived at all. Hence, trying to bank on PSLC model may not work.

## **c) CPSU-Led Model**

NOFN was conceptualized about 4 years back with due consultation and examination of various alternate business models. It was envisaged to be implemented by CPSU by BBNL.

It is a fact that the implementation has lagged behind. It may be necessary to objectively analyse the gaps and take appropriate remedial action to ensure the objectives are timely accomplished.

1. It is important to understand the ground realities and complexities involved in roll out of rural networks in village and GP level.
2. Right technological selection
3. To make this model work, it is important that the technology / equipment to be used, replicated across the country shall be standardized so that the integration and inter-operability and efficient rollout can take place
4. Equipment should be standardized in a way that domestic manufacturing is encouraged and 'Make In India' program is made successful..
5. The use of license free band wireless radios for connectivity between block to gram Panchayat would be faster and economical mean to achieve the targets. Once the fiber reached it can be used as a redundant link.

**In our opinion, the only model, which will work is to get the project implemented through CPSU-Led model.**

We would like to suggest that the CPSUs with end-to-end experience of network roll out and operations such as BBNL, Railtel, GAIL, etc. could be some of the target candidates, with clearly defined project requirements, technology, standards, project milestones etc.

Moreover, the project should to be defined as of national importance and to be done in a mission mode with a rigorous monitoring mechanism.

The Broad Band initiative of Gol is to be construed as an Infrastructure obligation and this invaluable infrastructure ownership must be resting with Gol to retain the federal structure of the country and enable State Governments to focus on delivering services as rightly pointed in the consultation paper

## **2) Alternate implementation strategy of BOOT model.**

BOOT models are normally successful in urban areas with high penetration potential. For rural remote areas, because of low revenue potential, it may be of low interest for the private sector.

Also it may be very difficult to get fund support from commercial banks for such projects.

Many organizations who implemented SWAN on PPP model collapsed.

Very low revenue levels in these rural geographies and service areas would be deterrent to balance out revenues and financing.

In our views the BOOT model as suggested in the consultation paper **will not be suitable** in this BharatNet project.

It may also be noted that even 5 years after the GP gets Broadband, Government may still have to subsidize the BW charges to sustain the services.

We hope our above inputs will be taken into account while preparing the final recommendations on this important topic.

Thanking you

For **Telecom System Design & Manufacturers Associations**



**Authorized Signatory**