

Regulation Cell
5th Floor, Bharat Sanchar Bhawan,
Janpath, New Delhi - 110001
Tel.: 011-2373 9295, Fax: 23734081
Email : agmregln@gmail.com



भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

To,
Advisor (BB&PA)
Telecom Regulatory Authority of India,
MTNL Telephone Exchange Building,
Jawahar Lal Nehru Marg, (Minto Road),
New Delhi-110002.

No. Regln/1-33/2010/

Dated: 14 -11-2017

[Kind Atten: Shri Arvind Kumar, Advisor (BB&PA)]

Sir,

Sub:- BSNL's reply on TRAI's Consultation Paper on "Promoting local Telecom Equipment Manufacturing".

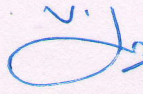
Kindly refer to the TRAI's press release no. 75/2017 dated 18-09-2017 and Consultation Paper no. 12/2017 dated 18-09-2017, vide which TRAI releases consultation paper on "Promoting local Telecom Equipment Manufacturing".

BSNL Telecom Factories are in-house manufacturing Units of the BSNL and located at Kolkatta, Gopalpur, Kharagpur, Jabalpur, Bhilai, Richhai and Mimbai. All these factories are ISO 9001:2000 Certified. Besides, TF Mumbai is ISO 14000:2004 & 18001:2007 OHSAS Certified. In 2016-17 Telecom Factories have annual turnover of Rs 467 Cr.

BSNL has concern on the Question No. 1, 2 and 9 of the Consultation Paper. BSNL's comments on these questions are as follows.

- 1) Telecom Service providers such as BSNL through suitable Licensing conditions, should be incentivized to set up in-house manufacturing of Telecom Equipments. Such incentives can be through reduction in License Fee / USO obligations. Besides, special incentives must be provided to Telecom Manufacturing Units for supply of Equipments to Govt. Projects.
- 2) Any Investments made by Telecom Service Provider in the area of R&D and manufacturing Telecom Equipments, should be exempted from calculation of Adjusted Gross Revenue (AGR) which is the basis to determine License Fee.
- 3) Preferential Market Access (PMA) Policy for Telecom Operators, PMA should be provided to domestic manufacturer of Telecom Equipments by all Telecom Service Providers, (both Public & Private). The Licensing conditions should be amended to include the mandatory use of Telecom Equipments manufactured in India having domestic value addition of at least 30%.

- 4) Telecom Service Providers may be encouraged to use domestic manufacturing of Telecom Equipments by giving them incentives in form of reduction of License Fee/USO obligation etc.
- 5) In all Government funded Projects (such as Bharat Net Project etc.) only domestically manufactured Equipments (with domestic value addition / set off of at least 30%) should be used.


14.11.17

Ved Prakash Verma
AGM (RegIn-II)