

CONSULTATIVE PAPER OF TRAI ON “IMPLEMENTATION MODEL FOR BHARATNET”

Issues for Consultation

- 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?**
- A.1** Project planning, execution, monitoring and O&M challenges in CPSU and State Led models are very serious and CPSU model has failed on all counts. State Led model is also prone to similar failures. Failures need to be avoided.
- 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.**
- A.2** Though PPP model with well-designed RACI matrix giving KPIs, SLAs, rewards and penalties is the proven model but it has a complexity of involvement of state, as it tends to dilute the RACI matrix. This PPP model succeeds when players are companies.
- 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.**
- A.3** BOOT model though good for toll bridges where business modeling is straight forward, Bharat Net business is different from toll plaza business hence unlikely to succeed. A DMRC like model along with RoW, is the best fit.
- Q.4 What are the advantages and challenges associated with the BOOT model?**
- A.4** Same as answer to Q3 above.
- Q.5 What should be the eligibility criteria for the executing agency so that conflict of interest can be avoided?**
- A.5** We should not call executing agency and instead it should be a DMRC like structure which is a corporation taking end-to-end responsibility. BBNL should be made DMRC like corporation with professional leadership. Hence, there will not be any conflict of interest.

- Q.6 Should there be a cap on number of States/ licensed service area to be bid by the executing agency?**
- A.6 Since we propose one single, national level corporation for Bharat Net, there shall be no relevance of any cap.
- Q.7 What measures are required to be taken to avoid monopolistic behavior of executing agency?**
- A.7 Since the proposed DMRC like corporation (BBNL) shall have a mandate to provide non-discriminatory access to all operators/service providers, the question of monopoly would not arise.
- Q.8 What terms and conditions should be imposed on the executing agency so that it provides bandwidth/fiber in fair, transparent and non-discriminatory manner?**
- A.8 The DMRC like corporation (BBNL) should have the authority to decide their tariffs in a non-discriminatory manner and respecting the TRAI guidelines.
- Q.9 What flexibility should be given to the agency in terms of selection of route of laying optical fiber, construction, topology and deployment of technology?**
- A.9 Full flexibility should be given just like DMRC, with optimal utilization of all available resources, including resources of private service providers as National assets.
- 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.10 DoT should put its equity (USO fund) and private companies put their share just like DMRC. VGF is not applicable in this case.
- 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?**
- A.11 Rewards and penalties as per best international practices should be followed.

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

A.12 The proposed corporation will continue to own and operate the network.

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?

A.13 The benefit of the excess profit should be passed on to the end users (public).

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

A.14 Let this be demand and supply driven, planned and executed by the proposed corporation.

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

A.15 The proposed corporation while fixing their tariffs would keep in mind the interest (affordability) of the public, while respecting TRAI guidelines.

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?

A.16 It is understood that free RoW has been agreed for Bharat Net by most of the states, with restoration by the proposed corporation. For the remaining states, the Central Govt should obtain similar dispensation for the proposed corporation.

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?

A.17 In our opinion, BOOT model may not succeed for Bharat Net.

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

A.18 We should emulate our earlier success stories and the lessons learnt in case of large national projects. Although Bandwidth of 100 MB was initially planned to be provided to each GP, the planning should be done based on the actual estimated requirement of each GP depending upon the area covered, density and population of each GP rather than 100 MB fixed for each GP. The facility of free RoW should be extended to the Telecom Operators for connecting their towers to the GP node using Fiber. Feasibility of utilizing towers of MARR's projects which are lying abandoned should be explored for use by Service providers.