

Chapter 9

USO and Infrastructure Sharing

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1.0 Introduction

Apart from the higher capital cost of providing telecom services in rural and remote areas, these areas also generate lower revenue due to lower population density, low income and lack of commercial activity. Thus normal market forces would not direct the telecom sector to adequately serve backward and rural areas. Keeping in mind the inadequacy of the market mechanism to serve rural and inaccessible areas on one hand and the importance of providing vital telecom connectivity on the other, most countries of the world have put in place policies to provide Universal Access and Universal Services to ICT.

The New Telecom Policy -1999 (NTP'99) provided that the resources for meeting the Universal Service Obligation (USO) would be raised through a "Universal Access Levy(UAL)", which would be a percentage of the revenue earned by the operators under various licences. The Universal Service Support Policy came into effect from 01-04-2002. The Indian Telegraph (Amendment) Act,2003 giving statutory status to the Universal Service Obligation Fund(USOF) was passed by both the Houses of Parliament in December 2003. The Rules of administration of the Fund known as Indian Telegraph (Amendment) Rules,2004 were notified on 26-03-2004. As per the Indian Telegraph Act 1985 (as amended in 2003,2006 and 2008), the Fund is to be utilised exclusively for meeting the Universal Service Obligation.

Definition of Universal Service Obligation: As per the Indian Telegraph Act 1885 (as amended in 2003 and 2006) Universal Service Obligation is defined as access to telegraph service to people in rural and remote areas at affordable and reasonable prices.

Importance of Telecom Connectivity

Economic Benefits :

Stimulation of Rural Economic Growth :

Access to telecommunication and information services, provides crucial knowledge inputs into productive activities of rural and poor households. It would stem urban migration by generating greater income and employment potential in

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rural areas and bringing the market to the people rather than forcing them to leave in search of the same.

Rural BPOs/KPOs

With the spread of ICT to rural areas, rural business process outsourcing and knowledge process outsourcing will become possible on a wide scale.

Positive Externalities :

In purely economic terms, connecting more and more areas and people in a country to the telecom network, leads to a more intensive use of the telecom infrastructure, generating positive externalities.

Social Benefits :

Social Development :

Connectivity fosters social development, including improved education, health and increased citizen participation in civil society.

Government Services :

Increase in the reach and delivery of government and social services.

Main Streaming Rural India :

Access to ICT would allow Indians in rural and remote areas to participate in the decision making process and would decrease their sense of isolation.

Narrowing these access gaps and removing barriers to information dissemination and access to knowledge is therefore a priority for promoting equitable, sustainable development and alleviating poverty, besides promoting political and social cohesion.

2.0 Policy, Acts and Rules on USO Fund

2.1 The Universal Service Support Policy came into effect from 01.04.2002. The guidelines for universal service support policy were issued by DoT and were placed on the DoT website: www.dot.gov.in on 27th March 2002. Subsequently, the Indian Telegraph (Amendment) Act, 2003 giving statutory status to the Universal Service Obligation Fund (USOF) was passed in December 2003. The Fund is to be utilized exclusively for meeting the Universal Service Obligation by providing access to telegraph service to people in the rural and remote areas at affordable and reasonable prices. The USO Fund was established with the fundamental objective of providing access to

‘basic’ telegraph service. Subsequently, an Act has been passed on 29.12.2006 as the Indian Telegraph (Amendment) Act 2006 to amend the Indian Telegraph Act, 1885 to enable provision of all types of telegraph service.

2.2 The Rules for administration of the Fund known as Indian Telegraph (Amendment) Rules were originally notified on 26.03.2004. The Rules were subsequently amended in order to enable support for mobile services and broadband connectivity in rural and remote areas of the country as Indian Telegraph (Amendment) Rules 2006 and same were published on 17.11.2006. The Rules have recently been amended to provide subsidy support to eligible operators for operational sustainability of Rural Wire-line Household DELs installed prior to 01.04.2002, for a period of 3 years subject to a ceiling of Rs.2000 Crore per annum for the country. The Indian Telegraph (Amendment) Rules 2008 have been published on 18.07.2008.

2.3 The resources for implementation of USO are raised through a Universal Service Levy (USL) which has presently been fixed at 5% of the Adjusted Gross Revenue (AGR) of all Telecom Service Providers except the pure value added service providers like Internet, Voice Mail, E-mail service providers etc. In addition, the Central Govt. may also give grants and loans. The annual revenue share license fee shall be reduced to extent of reduction in contribution toward Universal Service Obligation Fund (USOF) levy if the licensee in service area(s) meets the prescribed qualification. The balance to the credit of the Fund will not lapse at the end of the financial year. Credits to the Fund shall be through Parliamentary approvals.

2.4 The implementation of USO related activities is carried out by the “eligible operators” as per the aforesaid Indian Telegraph (Amendment) Rules covering Basic Service Operators, Cellular Mobile Service Providers, Unified Access Services Licensees and Infrastructure Providers (IP). These Telecom Service providers are both public and private sector companies.

3.0 Functions of USO fund administration

- To formulate USOF projects under the various streams provided in the Indian Telegraph Rules, in consultation with telecom service providers and various stakeholders.
- To design the bidding process and carry out tendering.

- To enter into implementation agreements with Telecom Service Providers (TSPs).
- To monitor the implementation of USOF project and to disburse subsidy in accordance with terms and conditions of USOF agreements.
- To design the format of various records and returns to be maintained by the TSPs.
- To carry out post implementation review of USOF Schemes.
- Budgeting and Audit of USOF Activities.
- Interface with international Organizations such as ITU, APT and USO Fund of other nations.

The following provisions exist in USOF Agreements by way of monitoring and control of activities:

- Agreement terms and conditions to guarantee adherence to QoS
- Self certification through an affidavit by Service Providers
- Deductions for service interruptions
- Roll out clause
- Liquidated damages
- Post payment sample verification
- Physical inspection
- Annual auditor's certificate
- Recovery of over payments with penal interest

The USOF Administration is assisted by 22 Controller of Communication Accounts (CCA) Offices.

Spread across India's 22 Telecom Service Areas. These field units of the Department of Telecom (DOT) have been delegated the functions of subsidy disbursement and verification of subsidy claims. They assist the USOF Administration in monitoring of the field level implementation of USOF Agreements. They also liaise with state and local government authorities in this regard.

4.0 Activities supported by USO Fund

As per the Rules, the following services shall be supported by the Fund, namely:-

Stream-1: Provision of Public Access Service:

- a) Operation and Maintenance of Village Public Telephones (VPT) in the revenue villages identified as per Census 1991 and Installation of VPTs in the additional revenue villages as per Census 2001(O&M of VPTs, New VPTs Phase-I, New VPTs Phase-II).
- b) Provision of Rural Community Phone (RCPs) after achieving the target of one VPT in every revenue village where in a village the population is more than 2000 and no public call office (PCO) exists, a second public phone shall be installed (Rural Community Phone (RCPs)).
- c) Replacement of Multi Access Radio Relay Technology (MARR) VPTs installed before the 1st day of April 2002 (MARR VPTs (01.04.2002 to 03.06.2003), MARR VPTs (w.e.f 01.07.2003)).

Stream-II: Provision of Household Telephones in Rural and Remote Areas as may be Determined by the Central Government from Time to Time:

- a) For rural household DELs (RDELs) installed prior to 1st day of April,2002, support toward the difference in rental actually charged from rural subscribers and rent prescribed by Telecom Regulatory Authority of India (TRAI) for such subscribers shall be reimbursed until such time the ADC prescribed by TRAI from time to time takes into account this difference. Also following phasing out of ADC Regime, support for a limited duration of three years for rural wire line RDELs installed prior to 01.04.2002.(RDELs PRIOR TO 1.4.2002).
- b) Support for RDELs installed after the 1st day of April, 2002 [RDELs (1.4.2002 to 31.3.2005), RDELs (w.e.f. 1.4.2005)].

Stream –III:

Creation of Infrastructure for provision of Mobile Services in Rural and Remote Areas. The assets constituting the infrastructure for provision of mobile services shall be determined by the Central Government from time to time [Mobile Infrastructure (Phase-I)].

Stream –IV:

Provision of Broadband Connectivity to rural & remote areas in a phased manner [Wire Line Broadband, Rural Public Service Terminals (RPST)].

Stream-V:

Creation of General Infrastructure in Rural and Remote areas for Development of Telecommunication facilities. The items of general infrastructure to be taken up for development shall be determined by the Central Government from time to time (Optical Fiber Cable (OFC) for Assam).

Stream-VI:

Induction of new technological developments in the telecom sector in Rural and Remote Areas. Pilot projects to establish new technological development in the telecom sector, which can be deployed in the Rural and Remote Area, may be supported with the approval of the Central Government.

5.0 Implementation of Ongoing Schemes**5.1 Public Access****5.1.1 Village Public Telephones**

Agreements were signed with M/s BSNL and six Private Basic Service Operators (PBSOs) in March 2003 for operation and maintenance of exiting Village Public Telephones (VPTs) in the country in the identified revenue villages as per Census 1991. In addition, subsidy support is also admissible for the VPTs installed in additional revenue villages as per census 2001. About 96% of the eligible Census 2001 inhabited revenue villages are already covered with Village Public Telephones (VPTs). This includes the VPTs provided under Bharat Nirman Scheme.

The Achievements of VPTs in various states is given in [Table 1](#).

5.1.2 New VPTs In The Uncovered Villages

Agreements were signed with M/s BSNL in November 2004 to provide subsidy support for provision of VPTs in 66822 no. of uncovered villages as per Census 1991 in the country excluding those villages having

population less than 100, those lying in deep forests and those affected with insurgency. Subsidy support in the form of Capital and Operational expenses will be provided for provision of these VPTs for a period of five years from the date of installation of the VPTs. The provision of VPTs in these villages has been included as one of activities under Bharat Nirman Programme. Out of these, 14183 remotely located villages were to be provided VPTs through Digital Satellite Phone Terminals (DSPTs) as per the agreement signed. Some of the VPTs, which were initially proposed to be provided on DSPTs, are also being provided through the Wireless coverage now available in these village on account of network expansion. The VPTs were to be provided in phases covering 20%, 40% and 40% respectively over a period of three years.

Since there was a delay in getting transponders from Department of Satellite and supply of DSPT equipment by the vendor, the remaining VPTs are likely to be provided in a phased manner by November 2009.

The targets and achievements for VPTs in uncovered villages are given in [Table IA](#).

5.1.3 New VPTs to be provided in the remaining village as per Census 2001

As per Census 2001, there were about another 62,443 uncovered villages, which were yet to be provided with VPT facility. Such uncovered villages shall also be provided with VPT facility with subsidy support from USOF. Agreements in this regard have been signed with BSNL on 27.02.2009.

The targets and achievements for VPTs in remaining uncovered villages are given in [Table IB](#).

5.1.4 Replacement of MARR based VPTs

1,86,872 no. of VPTs which were earlier working on Multi Access Radio Repeater (MARR) technology and installed before 01.04.2002 are to be replaced by reliable technology equipment as most of these were non functional. Both capital and operational expenses are to be supported for this activity. The number of MARR VPTs to be replaced has subsequently been revised as 185121.

All the MARR VPTs are likely to be replaced in a phased manner by June 2009.

The targets and achievements for replacement of MARR VPTs are given in [Table II](#).

5.1.5 Provision of Rural Community Phones

46,253 villages with population exceeding 2,000 and without a Public phone facility are being provided with a Rural Community Phone (RCP). Agreements were signed with M/s BSNL and M/s RIL in September 2004 to provide 24,822 and 21,431 RCPs respectively in these villages over a period of three years i.e. by 30.09.2007. These installations are eligible for both Capital and Operational expenses. The number of RCPs to be provided has subsequently been revised as 40705 [BSNL: 21958, RIL: 18747]. All the RCPs are likely to be replaced in a phased manner by May'2009.

The targets and achievements for RCPs are given in [Table III](#).

5.2 Individual Access

5.2.1 RDELS (01.04.2005 to 31.03.2007)

Agreements were signed with M/s BSNL, M/s TTL and M/s TTL (MH) in March 2005 for installation of Rural Household Direct Exchange Lines (RDELS) to be installed during the period 01.04.2005 to 31.03.2007. These RDELS were to be installed in 1685 Short Distance Charging Area (SDCAs) [BSNL: 1267, RIL: 203, TTSL: 172, TTML: 43] where cost of providing telephone connections is more than the revenue earned. Support in the form of front loaded subsidy is being given for all the lines (RDELS) installed from 01.04.2005 to 31.03.2007. The equated annual subsidy where payable, shall be given up to a maximum period of validity of the Agreement (Five years) and validity period ends in March, 2010. Subsequently the cut-off date for installation of the RDELS was extended to 31.3.2010.

The details of the SDCAs where RDELS are to be provided are given in [Table IV](#). The achievements of RDELS are given in [Table V](#).

5.2.2 RDELs (01.04.2002 to 31.03.2005)

Support is also being extended for 18.65 lakhs rural lines installed between 01.04.2002 and 31.03.2005 at the same rates as applicable for the RDELs at (i) above. Agreements to this effect were signed with M/s BSNL and M/s RIL in May 2005 & August 2005. The equated annual subsidy is to be given for a maximum period of five years from the date of installation of these RDELs. One time front loaded subsidy is payable only for net addition of rural household DELs.

5.2.3 RDELs (Prior to 01.04.2002)

Support has been extended to nearly 90.5 lakh rural household Direct Exchange Lines (RDELs) installed prior to 01.04.2002 toward the rental differential between the TRAI prescribed rental and the rental charged by the Service Provider. The support was for the limited period of 01.04.2002 to 31.01.2004. The Access Deficit Regime has come into operation from 01.02.2004

5.2.4 Rural Wire-line Household DELs installed prior to 01.04.2002

Based on the recommendations of TRAI, Indian Telegraph Rules (ITR) have already been amended to provide subsidy support to the eligible operators for operational sustainability of Rural Wire-line Household DELs installed prior to 01.04.2002 in lieu of ADC has been phased out. This support shall be provided for a period 3 year subject to a ceiling of Rs.2000 Crore per annum for the country.

5.3 Infrastructure Support For Mobile Services

A scheme has been launched by USO Fund to provide subside support for setting up and managing 7871 (revised to 7440) number of infrastructure sites (towers) in 500 districts spread over 27 states for provision of mobile services in the specified rural and remote areas, where there is no existing fixed wireless or mobile coverage. The infrastructure so created shall be shared by three service providers for provision of mobile services. The agreements effective from 01.06.2007 have been signed with the

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successful bidders in May'2007. Mobile services from these sites were considered to be launched in a phased manner by end of year 2008.

The State-wise/IP-wise number of towers to be set up under this scheme and the towers commissioned are given in [Table VI-A](#) / [Table VI-B](#)

5.4 Rural Broadband Schemes

5.4.1 Agreement has been signed with [BSNL](#) on 20.01.2009 to provide 8,61,459 wire-line Broadband connections to individual users and Government Institutions from 27,789 DSLAMs, installed at exiting rural and remote exchanges over a period of 5 year, i.e.by 2014.

The copy of Agreement signed with BSNL on 20.01.2009 for provision of Wire line Broadband Connectivity in Rural & Remote Areas & List of Exchanges with subsidy covered under it. (Please refer www.dot.gov.in).

5.4.2 The Service Providers, with valid license from DoT for BSO/UASL, are eligible to apply for the Scheme. Such Service Providers shall have outdoor copper cable network from their exiting serving exchange in the rural and remote areas with back-haul & backbone connectivity on OFC.

The interested service providers may kindly see the [EoI](#) and approach this office with prescribed details by 6th March, 2009, at the following address:

DDG (BB),USOF

Deptt of Telecom., Room No. 405, Sanchar Bhawan, 20, Ashoka Road, New Delhi-110001.

DoT website www.dot.gov.in can be visited to see the latest status of implementations of various schemes.

5.4.3 Creation of General Infrastructure like OFC in Rural Areas - Augmentation, Creation and Management of Intra-District SDHQ-DHQ OFC Network in Assam

Universal Service Obligation Fund (USOF) of Department of Telecommunications (DoT) has launched a Scheme to provide sufficient

back-haul capacity to integrate the voice and data traffic from the access network in the rural areas to their core network by strengthening the OFC network. This scheme considers OFC Network augmentation between the blocks' HQ and Districts' HQ to begin with.

USOF, through this Scheme, shall provide subsidy support for augmentation, creation and management of intra-district SDHQ-DHQ OFC Network on the condition that it will be shared with other Telecom Operators at the rates prescribed in the Agreement. Assam has been taken up first for implementation. The tender for Assam was floated on 30.10.2009 and BSNL had been declared successful at the subsidy quote of Rs. 98.89 crore and subsequently, an Agreement has been signed with BSNL on 12.02.2010 to implement the scheme in Assam.

Salient Features of the Scheme: This OFC Scheme would be undertaken on BOO model, i.e. build, operate & own basis, and accordingly, BSNL would build, operate, own and manage all the equipment/infrastructure for the provisioned intra-district augmented/created OFC Transport network to connect 354 total locations in Assam that includes 58 en-route/new locations, in addition to 269 SDHQs, in total 27 DHQs.

All locations shall be connected on physical OFC Ring Route(s) with the DHQ node ensuring the cable route diversity and ring capacity of at least 2.5 Gbps, with the capability to efficiently transport various protocols, including TDM, IP, Frame Relay, ATM, etc., for integrated voice, data and video signals in all districts of ASSAM within 18 months from the date of signing of the Agreement. The Agreement shall be valid for a period of seven years from the effective date. At least 70% of the subsidized bandwidth capacity, created under the scheme, shall be shared with the licensed service providers in the area of ASSAM at a rate not more than 26.22% of the current TRAI ceiling tariffs.

6.0 Planned USOF Schemes

6.1 Public Access

6.1.1 Infrastructure Support for Mobile Services (Phase-II)

It was proposed to cover other uncovered areas in the country through mobile services for which additional towers were identified. About 11,000

towers are proposed to be installed under the second phase of the scheme; which has been launched shortly.

The Details of Towers. (Please refer www.dot.gov.in)

6.1.2 Wireless Broadband Connectivity for Rural Areas

A proposal is also under considerations of the Government to provide subsidy support for Broadband connectivity in rural and remote areas of the country in a phased manner by utilizing the exiting passive and core infrastructure available with the Service Providers. It is proposed to provide broadband connectivity to Gram Panchayats. Higher secondary schools and primary health centers in order to provide e-governance and service to the rural areas.

[List of 5,903 Satellite Sites for Satellite Broadband Connectivity.](#)
(Please refer www.dot.gov.in)

Wireline Broadband Connectivity for Rural Areas

Wire line Broadband shall also be supported by USOF wherever feasible.

6.1.3 Augmentation, Creation and Management of OFC Network in service areas other than Assam

With a view to provide sufficient back-haul capacity to integrate the voice and data traffic from the access network in the rural areas to their core network, USOF has taken initiative to strengthen the OFC network in the rural and remote areas. This scheme considers OFC Network augmentation between the Blocks' HQ and Districts' HQ to being with. The above Schemes are envisaged to be rolled out during the current Five Year Plan (2007-2012).

6.1.4 Pilot Projects

For induction of new technological developments in the telecom sector on a Pilot Project basis in rural and remote areas, USOF has invited applications from the eligible companies to undertake Pilot Project for demonstration their project/ services in the field of Rural Telephony. About Five Pilot Projects are likely to be provided subsidy support at an upper scaling of 50 Lakhs per project during the FY 2009-10.

- a) Support has been extended for pilot projects to establish new technological developments in the telecom sector which can be deployed in the rural and remote area.
- b) Support is also being considered for renewable energy resources (solar, wind, diesel hybrid solutions) for 20 sites on pilot basis. The same shall be extended to some of the locations for second phase of USO Shared Infrastructure Scheme.
- c) Support is being considered for mobile charging stations in 5000 villages through TERI projects of Lighting a Billion Lives (LaBL).

6.1.5 Status of Disbursements made and availability of Funds

The year-wise allocation & disbursement of funds is available at [Tables VII & VIII](#).

7.0 Infrastructure Sharing

In the HOCC on 10th and 11th December,2009 in which CMD, BSNL emphasized the need of prompt actions by the circles for faster sharing of BSNL's towers with other telecom operators to earn additional incremental revenue for the company.

It was also highlighted that by leasing out own towers , BSNL shall not only be earning additional revenue but also be saving substantially on operational expenditure.

As a result of number of new operators were entering in the mobile telecom sector, it was considered a right time to maximize the sharing opportunities.

Accordingly, BSNL has adopted a policy of leasing out of BSNL's own towers.

The Master Services Agreement (MSA) were signed with various other telecom operators at Corporate Office level.

Territorial circles were asked to sign Service Level Agreements (SLAs) with other telecom operators.

While reviewing the progress of sharing of BSNL's towers, it was observed that only few circles have made progress in this regards. It was instructed by the Corporate Office that all out efforts be made by the circle to make the infrastructure sites available to the sharing operators for timely roll out of their services because not only by doing this BSNL shall be able to earn credibility and shall also prompt the operators to take more and more towers from BSNL.

Considering a very slow progress and in order to motivate the field staff for faster sharing of sites and ensuring SLAs the Management Committee of BSNL Board vide its meeting held on 24.02.2010 has decided initially as under:

1. To motivate the field staff for faster sharing of sites and ensuring SLAs, the concerned SDO/JTO level officers will be paid Rs. 2500/- one time on first bill payment for tower leased out till 30th September 2010;
2. The Group C / Group D staff shall be paid incentive of Rs. 500/- per month initially upto September 2010, in case the SLA is ensured and no penalty is imposed on BSNL for six months.

Further the management committee of BSNL Board in its meeting held on dated 16-11-2010 approved the following incentive scheme for SSA/Circle Officers/Staffs:

1. **Incentive for SSA Office/Staff:** In order to share any BSNL tower with other operators, some upgradation works are invariably required at each and every tower site to make the site feasible for sharing with other operators. The staff and officers of the SSA, therefore, have to exert hard to make the site ready and feasible, within limited permissible time period. Following one time incentive has, therefore, been approved for the SSA officers/staff (including officers/staff of finance, civil, electrical etc., if any) who are involved and have contributed in execution of various activities for leasing of the tower.
 - a) One time incentive of Rs.10,000/-(Rs. Ten thousand) for each BSNL tower leased out by the SSA over and above the threshold of 10% of the target assigned to the SSA by the circle for F.Y. 2010-11
Example: Say, a SSA was assigned a target of leasing out 50 number of BSNL tower during FY 2010-11. The officers/staff of this SSA shall be eligible for the incentive only if SSA lease out 5 towers (i.e. 10% of the target assigned to the SSA by the circle for FY 2010-11) after the launch of this scheme till 31st March,2011. Incentive will be given for 6th and subsequent towers leased out by the SSA during the said period.
 - b) Incentive shall be paid for the tower leased out i.e made RFIE and made over to the operator during the period from the date of launch of this incentive scheme till 31st March,2011.
 - c) The SSA Head in consultation with IFA shall decide the contributions of individual officers/officials and distribution of incentive proportionality.
2. **Incentive for Passive Infra Group formed at Circle Office level:** In order to attract good officers to work in passive infra groups and also to motivate the staff/officers to make extra efforts in leasing of BSNL towers, following one time incentives have been approved for the passive infra teams at circles office (including officers/staff of finance, civil, electrical etc., if any) who are involved and expeditious sharing of the towers in the circle.

- a) An incentive of Rs.2,000/- (Rs. Two thousand) for each BSNL tower leased out by the circle over and above the threshold of 10% of the target assigned to the circle for F.Y. 2010-11
Example: Say, a circle has been assigned a target of leasing out 400 number of BSNL tower during FY 2010-11. The officers/staff of passive infra team of this circle shall be eligible for the incentive only if circle lease out 40 towers (i.e. 10% of the target assigned to the circle for FY 2010-11) after the launch of this scheme till 31st March,2011. Incentive will be given for 41st and subsequent towers leased out by the circle during the said period.
- b) Incentive shall be paid for the tower leased out i.e made RFIE and made over to the operator during the period from the date of launch of this incentive scheme till 31st March,2011.
- c) The GM in-charge of passive infra group either in consultation with the concerned IFA or by appointing a committee shall decide the contributions of individual officers/staff of the passive infra group at circle level (including that from finance, civil, electrical etc., if any involved) and to distribute the incentive proportionately as per their contribution.

3. Incentive for Circle Heads and SSA Heads: Achieving the assigned targets by the circle shall not be possible without the effective direction and guidance of the Circle head and SSA heads in assigning priority to this infra sharing business for expeditious leasing of BSNL towers. Accordingly following awards are approved for the performing circle heads and SSA Heads:

- a) **Award to Circle Heads:** A citation from CMD, BSNL along with the cash award of Rs.51000/- shall be given to circle CGM if circle is able to lease out at least 10% of the total towers in the circle (as on 01-10-2010) during the current financial year. In case the circle is able to lease out more than or equal to 20% of total number of towers during the current financial year, the cash award shall be Rs. 1 Lac.
- b) **Award to SSA Heads:** A citation from CGM, along with the cash award of Rs.25000/- to SSA head if SSA is able to lease out 10% of the total towers in the SSA during the current financial year. The citation shall be given by the ED(NB) and cash award shall be raised to Rs.50,000/- if total towers lease out by the SSA ,during FY 2010-11, are more than or equal to 20% of total numbers of towers in the SSA.

4. A tower will be considered leased out only if tower is made RFIE and the same is made over to the operator on or before 31st March,2011.

5. The payment of incentive /award for leasing out shall be only after receipt of payment of first bill/bills by the operator to BSNL.

8.0 Policy for leasing out BSNL's passive infrastructure (GBT) to other telecom service providers – Swapping of infra sites

Considering timely roll out of wireless services in circles, BSNL CO New Delhi also issued guidelines and authorization to the CGMs for swapping of infra sites on 1 :1 basis as below:

'The CGMs may also consider the swapping of the available spare capacities/slots on 1 to 1 basis with other service providers without involving any payment obligations to each other to meet BSNL's additional requirements of infrastructure with a view to achieve faster rollout of its services. 1 to 1 swapping of infra sites with other service providers must be done judiciously keeping in mind the importance of sites to be swapped.'

Table 1

Summary of VPTs provided by BSNL and PBSOs as on 31.03.10			
Sl. No.	NAME OF SERVICE AREA	Provided by BSNL	Covered by PBSOs
1	ANDAMAN & NICOBAR	337	
2	ANDHRA PRADESH	23333	845
3	ASSAM	23992	
4	BIHAR	38891	
5	JHARKHAND	27733	
6	GUJARAT	16905	1130
7	HARYANA	6683	
8	HIMACHAL PRADESH	17300	
9	JAMMU & KASHMIR	5994	
10	KARNATAKA	27419	
11	MADHYA PRADESH	51986	0
12	CHATTISGARH	18101	
13	MAHARASHTRA	39319	878
14	MEGHALAYA	3428	
15	MIZORAM	704	
16	TRIPURA	858	
17	ARUNACHAL PRADESH	1677	
18	MANIPUR	2079	
19	NAGALAND	1260	
20	ORISSA	43222	
21	PUNJAB	12061	0
22	RAJASTHAN	38803	572
23	TAMILNADU	13826	
24	CHENNAI METRO CITY	1655	
25	UTTAR PRADESH (EAST)	74123	
26	UTTAR PRADESH (WEST)	23636	
27	UTTARANCHAL	14814	
28	WEST BENGAL	33484	
29	CALCUTTA METRO CITY	567	
30	SIKKIM	398	
31	KERALA	1372	
	TOTAL	565960	3425
	GRAND TOTAL	569385	

Table I A

Summary of uncovered villages as on 31.03.2010 under Bharat Nirman Programme					
Sl. No.	Name of the Service Area	No. of villages to be provided VPTs under Bharat Nirman	VPT provided		
			On DSPT	On other technologies	VPTs provided
1	Andaman & Nicobar	0	0	0	0
2	Andhra Pradesh	675	0	675	675
3	Assam	8775	0	8775	8775
4	Bihar	0	0	0	0
5	Jharkhand	1564	0	1564	1564
6	Gujarat	4097	25	4072	4097
7	Haryana	0	0	0	0
8	Himachal Pradesh	1000	36	964	1000
9	Jammu & Kashmir	1753	43	1501	1544
10	Karnataka	0	0	0	0
11	Kerala	0	0	0	0
12	Madhya Pradesh	11854	20	11834	11854
13	Chhattisgarh	3509	120	3363	3483
14	Maharashtra	6275	225	6045	6270
15A	Meghalaya (NE-I)	1504	538	641	1179
15B	Mizoram (NE-I)	93	42	50	92
15C	Tripura (NE-I)	75	0	75	75
16A	Arunachal Pradesh (NE-II)	646	326	302	628
16B	Manipur (NE-II)	861	314	547	861
16C	Nagaland (NE-II)	28	1	27	28
17	Orissa	4122	978	3144	4122
18	Punjab	0	0	0	0
19	Rajasthan	11924	98	11822	11920
20	Tamil Nadu	0	0	0	0
21	Uttar Pradesh (East)	0	0	0	0
22	Uttar Pradesh (West)	0	0	0	0
23	Uttaranchal	3547	915	2591	3506
24	West Bengal	0	0	0	0
	Total	62302	3681	57992	61673

Table I B

**Provision of VPTs under new agreement
as on 31.03.2010**

Sl. No.	Name of the Service Area	Uncovered inhabited census-2001 villages as per new USOF Agreement	Cumulative achievement up to 31.03.2010
1	Andaman & Nicobar	321	157
2	Andhra Pradesh	5871	2844
3	Assam	2067	1070
4	Bihar	2412	2271
5	Jharkhand	2607	1078
6	Gujarat	3125	1882
7	Haryana	395	314
8	Himachal Pradesh	1399	1205
9	Jammu & Kashmir	388	214
10	Karnataka	1056	994
11	Kerala	0	0
12	Madhya Pradesh	2172	2042
13	Chhattisgarh	994	769
14	Maharashtra	5851	3752
15	Meghalaya (NE-I)	1944	49
	Mizoram (NE-I)	23	19
	Tripura (NE-I)	136	136
16	Arunachal Pradesh (NE-II)	2431	266
	Manipur (NE-II)	318	110
	Nagaland (NE-II)	161	143
17	Orissa	5803	2345
18	Punjab	301	61
19	Rajasthan	4903	4232
20	Tamil Nadu	682	671
21	Uttar Pradesh (East)	6536	6436
22	Uttar Pradesh (West)	1481	1391
23	Uttaranchal	1964	1362
24	West Bengal	7102	3146
TOTAL		62443	38959

The targets and achievements for replacement of MARR VPTs**Table II****Service Area-wise replacement of MARR VPTs by BSNL
as on 31.03.10 (Reconciled figures)**

Sl. No.	Service area	Total MARRs to be replaced	Total No. of MARR VPTs to be replaced (after revision in September 08)	Cumulative total MARR VPTs Replaced as on 31.03.10	Balance
1	Andaman & Nicobar	71	72	72	0
2	Andhra Pradesh	10446	10335	10335	0
3	Assam	9294	9294	9197	97
4	Bihar	7509	7431	7431	0
5	Jharkhand	3673	3570	3570	0
6	Gujarat	4107	4106	4106	0
7	Haryana	1335	1423	1423	0
8	Himachal Pradesh	997	949	949	0
9	Jammu & Kashmir	2661	2295	2283	12
10	Karnataka	14578	14571	14571	0
11	Kerala	4	4	4	0
12	Madhya Pradesh	21161	21111	21111	0
13	Chhattisgarh	5007	5021	4864	157
14	Maharashtra	15164	15222	15196	26
15	North East-I	1918	1901	1718	183
16	North East-II	1536	1531	1440	91
17	Orissa	11341	11912	11886	26
18	Punjab	2146	2135	2135	0
19	Rajasthan	14658	14574	14566	8
20	Tamil Nadu	6000	6000	6000	0
21	UP(East)	27897	27339	27339	0
22	UP(West)	10124	9957	9957	0
23	Uttaranchal	3149	2876	2876	0
24	West Bengal	12096	11492	11492	0
	Total	186872	185121	184521	600

The targets and achievements for RCPs

Table III : Circle wise progress report of RCPs up to 31.03.10										
S. N.	Service Area	To be provided (As per Agreement)			To be provided (Reconciled Figures)			Achievement		
		BSNL	RIL	Total	BSNL	RIL	Total	BSNL	RIL	Total
1	Andaman & Nicobar	0	0	0	0	0	0	0	0	0
2	Andhra Pradesh	3677	1865	5542	3671	1761	5432	3671	1761	5432
3	Assam	1913	0	1913	1913	0	1913	1913	0	1913
4	Bihar	1302	3254	4556	1224	3243	4467	1224	3243	4467
5	Jharkhand	451	0	451	448	0	448	448	0	448
6	Gujarat#	1829	272	2101	1461	66	1527	1461	66	1527
7	Haryana	145	626	771	88	402	490	88	402	490
8	Himachal Pradesh	95	0	95	36	0	36	36	0	36
9	Jammu & Kashmir	122	0	122	56	0	56	56	0	56
10	Karnataka	1528	669	2197	1528	451	1979	1528	451	1979
11	Kerala	1	0	1	1	0	1	1	0	1
12	Madhya Pradesh	1759	0	1759	1730	0	1730	1730	0	1730
13	Chhattisgarh	627	0	627	627	0	627	627	0	627
14	Maharashtra	3140	305	3445	1735	185	1920	1735	185	1920
15	North East-I	505	0	505	256	0	256	256	0	256
15 a	Meghalaya	28	0	28	28	0	28	28	0	28
15 b	Mizoram	21	0	21	21	0	21	21	0	21
15 C	Tripura	456	0	456	207	0	207	207	0	207
16	North East-II	193	0	193	186	0	186	186	0	186
16 a	Arunachal Pradesh	7	0	7	7	0	7	7	0	7
16 b	Manipur	95	0	95	89	0	89	89	0	89
16 c	Nagland	91	0	91	90	0	90	90	0	90
17	Orissa	936	0	936	936	0	936	936	0	936
18	Punjab	43	225	268	43	183	226	43	183	226
19	Rajasthan	1416	0	1416	1413	0	1413	1413	0	1413
20	TN & Pondichery	1424	1769	3193	1416	1441	2857	1416	1441	2857
21	Uttar Pradesh (E)	2295	4721	7016	1770	4062	5832	1770	4062	5832
22	Uttar Pradesh(W)	344	0	344	344	0	344	344	0	344
23	Uttaranchal	5	3183	3188	4	3075	3079	4	3075	3079
24	West Bengal	1072	4542	5614	1072	3867	4939	1072	3867	4939
	Total	24822	21431	46253	21958	18736	40694	21958	18736	40694

The details of the SDCAs where RDELs are to be provided**Table IV****Operator wise number of SDCAs where RDELs are to be provided**

S. N.	Service Area	Service Provider	Total number of eligible SDCAs	Number of (SSAs)/SDCAs			
				BSNL (171)	RIL (61)	TTL (37)	TTL (MH) (5)
1	A & Nicobar	-	0	0	0	0	0
2	A.P.	BSNL,RIL	117	81	36	0	0
3	Assam	BSNL	26	26	0	0	0
4	Bihar	BSNL,RIL,TTL	56	44	3	9	0
5	Jharkhand	BSNL	66	66	0	0	0
6	Gujarat	BSNL,RIL	120	99	21	0	0
7	Haryana	RIL, TTL	16	0	3	13	0
8	Himachal Pradesh	BSNL,RIL	22	11	11	0	0
9	J & K	BSNL	19	19	0	0	0
10	Karnataka	BSNL,RIL,TTL	117	66	43	8	0
11	Kerala	BSNL,RIL	15	10	5	0	0
12	M.P	BSNL,RIL,TTL	230	209	10	11	0
13	Chhattisgarh	BSNL	88	88	0	0	0
14	Maharashtra	BSNL,RIL,TTL (MH)	228	172	13	0	43
15	North East-I	BSNL	27	27	0	0	0
16	North East-II	BSNL	50	50	0	0	0
17	Orissa	BSNL	96	96	0	0	0
18	Punjab	BSNL,RIL,TTL	18	5	1	12	0
19	Rajasthan	BSNL,RIL,TTL	203	118	5	80	0
20	Tamil Nadu	BSNL,RIL	24	6	18	0	0
21	UP(East)	BSNL,RIL,TTL	84	39	15	30	0
22	UP(West)	RIL,TTL	21	0	12	9	0
23	Uttaranchal	BSNL	29	29	0	0	0
24	West Bengal	BSNL,RIL	13	6	7	0	0
	TOTAL		1685	1267	203	172	43

The achievements of RDELs**Table V****Status of RDELs provided as on 31.03.10**

Sl. N.	Service Area	Total number of eligible SDCAs	Cumulative number of RDELs provided since 01.04.2005				
			BSNL	RIL	TTL	TTL (MH)	Total
1	Andaman & Nicobar	0	0	0	0	0	0
2	Andhra Pradesh	117	222867	354275	0	0	577142
3	Assam	26	65549	0	0	0	65549
4	Bihar	56	123097	14807	200537	0	338441
5	Jharkhand	66	52701	0	0	0	52701
6	Gujarat	120	222150	181451	0	0	403601
7	Haryana	16	0	19075	224167	0	243242
8	Himachal Pradesh	22	14334	80013	0	0	94347
9	Jammu & Kashmir	19	26214	0	0	0	26214
10	Karnataka	117	205294	407572	108811	0	721677
11	Kerala	15	554	237149	0	0	237703
12	Madhya Pradesh	230	521441	111065	226292	0	858798
13	Chhattisgarh	88	153340	0	0	0	153340
14	Maharashtra	228	462851	113658	0	794244	1370753
15	North East-I	27	51221	0	0	0	51221
16	North East-II	50	26858	0	0	0	26858
17	Orissa	96	157752	0	0	0	157752
18	Punjab	18	18578	5004	324270	0	347852
19	Rajasthan	203	213725	88115	584168	0	886008
20	Tamil Nadu	24	47114	292686	0	0	339800
21	UP(East)	84	202785	74674	320564	0	598023
22	UP(West)	21	0	144330	106917	0	251247
23	Uttaranchal	29	55634	0	0	0	55634
24	West Bengal	13	6356	62932	0	0	69288
	TOTAL	1685	2850415	2186806	2095726	794244	7927191

The State-wise number of towers to be set up under this scheme

<u>Table VI-A: Commissioning status of Towers (State-wise) as on 31.03.2010</u> <u>in rural & remote areas for provision of Mobile Services</u>				
Sl. No.	State	Number of Districts	Revised Number of Towers to be set up after dropping/ addition	Number of Towers Commissioned as on 28.02.2010
1.	Andhra Pradesh	22	598	595
2.	Arunachal Pradesh	12	68	34
3.	Assam	20	87	85
4.	Bihar	37	469	407
5.	Chhattisgarh	16	552	551
6.	Gujarat	4	59	59
7.	Haryana	8	12	12
8.	Himachal Pradesh	11	259	255
9.	Jammu & Kashmir	12	82	81
10.	Jharkhand	18	273	273
11.	Karnataka	26	382	381
12.	Kerala	11	46	42
13.	Madhya Pradesh	45	932	896
14.	Maharashtra	33	956	956
15.	Manipur	9	103	30
16.	Meghalaya	7	108	107
17.	Mizoram	8	38	36
18.	Nagaland	7	59	24

19.	Orissa	30	435	434
20.	Punjab	3	14	14
21.	Rajasthan	32	403	403
22.	Sikkim	3	6	6
23.	Tamilnadu	27	327	327
24.	Tripura	4	116	93
25.	Uttar Pradesh	66	653	650
26.	Uttranchal	13	186	184
27.	West Bengal	16	164	163
	Countrywide Totals	500	7387	7098
*- The number of towers is subject to change based on actual field survey and coverage achieved thereof as per the terms and conditions of the Agreements.				

The State-wise/IP-wise number of towers commissioned

Table VI-B: Commissioning status of Towers (IP-wise) as on 31.03.2010 in rural & remote areas for provision of Mobile Services

Name of Infrastructure Provider	No of clusters	Revised Number of Towers to be set up after dropping/ addition	Number of Towers Commissioned as on 31.03.2010
RCIL	5	407	396
QTIL	1	88	88
GTL	4	412	409
KEC	4	377	373
BSNL	63	5794	5523
VODAFONE	4	309	309
TOTAL	81	7387	7098

**Table VII - Universal Service Obligation Fund position as on
31.03.2010**

Financial Year	Funds collected as USL	Funds allocated	Funds disbursed	Reimbursement of LF and spectrum charges	Balance
2002-03	1653.61	300	300	2300	
2003-04	2143.22	200	200	2300	
2004-05	3457.73	1314.59	1314.59	1765.68	
2005-06	3215.13	1766.85	1766.85	582.96	
2006-07	3940.73	1500	1500		
2007-08	5405.8	1290	1290		
2008-09	5515.14	1600	1600		
Total	25331.36	7971.44	7971.44	6948.64	10411.28
2009-10		2400.00**	2400		
Grand Total		10371.44	10371.44		

Notes:-

1. UAL collection started from the year 2002-03.
2. The UAL collection figures in Col. (2) have been taken as per Booked figures in DoT A/Cs.
3. Payment under Col. (5) have been taken as per the decision of Ministry of Finance vide letter dated 04.06.2008.

The year-wise disbursement of funds VIII.

S No	Financial Year	Funds allotted	O & M of VPTs	Replacement of MARR VPTs	RCP	VPTs in Uncovered villages	VPTs in Uncovered village (Phase II)
1	2002-03	300	236.63	63.37	NA	NA	
2	2003-04	200	66.4	4.6	NA	NA	
3	2004-05	1314.59	65.13	72.09	NA	NA	
4	2005-06	1766.85	83.39	108.17	31.9	29.86	
5	2006-07	1500	81.54	106.19	41.7	55.40	
6	2007-08	1290	118.87	256.93	19.69	44.73	
7	2008-09	1600	88.18	176.48	8.86	18.65	
8	2009-10	2400	85.89	200.92	7.74	36.88	38.40
GRAND TOTAL		10371	826.03	988.75	110	185.52	38.4

S No	Financial Year	RHDELS (Prior to 1.04.02)	RDELS (Prior to 1.04.02) - in lieu of ADC	RDELS installed from 1.04.02 to 31.3.05	RDELS installed after 1.04.05	RDELS EXT.	Mobile Phase-I	Wire line Broad Band	TOTAL
1	2002-03	NA	0	NA	NA				300.00
2	2003-04	129	0	NA	NA				200.00
3	2004-05	1062.78	0	114.59	NA				1314.59
4	2005-06	0	0	1393.44	120.1				1766.85
5	2006-07	0	0	342.74	872.41				1500.00
6	2007-08	0	0	122.10	727.68				1290.00
7	2008-09	0	750	46.1	174.04	333.2	4.49		1600.00
8	2009-10	0	1377.61	17.72	166.95	374.29	51.04	42.57	2400.00
		1191.78	2127.61	2036.69	2061.2	707.5	55.53	42.57	10371.44

Questions For Assessing “Transfer Of Learning”

- Question 1.** Define USO and enumerate its social and economic benefits?
- Question 2.** What are the functions of USOF administration?.
- Question 3.** What are the provisions exist in USOF Agreements by way of monitoring and control of activities?
- Question 4.** What are the activities supported by USOF?
- Question 5.** What are the planned schemes of USOF for public access and individual access?
- Question 6.** Explain the concept of MSA and SLA for infrastructure sharing.
- Question 7.** To motivate the field staff for faster sharing of sites, what are the incentive schemes available for SSA office/staff?
- Question 8.** What are the incentive schemes available for “Passive Infra Group” formed at Circle Office level?
- Question 9.** What are the incentive schemes available for Circle Heads and SSA Heads for infrastructure sharing and expeditious leasing of BSNL towers?
- Question 10.** What is the policy for leasing out BSNL's passive infrastructure (GBTs) to other telecom service providers – Swapping of infra sites?

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