

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:297

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Broadband Internet in Rural Areas

Arunmozhithevan Shri A.;Bohara Shri Ramcharan;Choudhary Shri Ram Tahal;Jadhav Shri Prataprao Ganpatrao;Ram Mohan Naidu
Shri Kinjarapu;Venugopal Dr. Ponnusamy;Wanaga Shri Chintaman Navsha

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether a large percentage of rural population is deprived of broadband/ internet facility;
- (b) if so, the details thereof and the reasons therefor along with the villages covered by internet under Bharat Nirman Yojana so far, State-wise;
- (c) whether the Government has failed to achieve the target set for broadband internet connectivity to villages and has reviewed the broadband project designed for rural areas, if so, the details thereof;
- (d) whether an expert committee on National Optical Fibre Network (NOFN) has suggested measures to revamp Bharat Broadband Network and called for an empowered project group, if so, the details thereof and reaction of Government thereto; and
- (e) whether Union Government has asked the States to report on Bharat Net and some of the States have proposed their own broadband network model and if so, the details thereof?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)

- (a)& (b) Rural Broadband Internet Subscriber base is 25.51 million as on 31st March 2015, as reported by Telecom Regulatory Authority of India (TRAI). Service Area-wise, rural/urban distribution of subscriber-base as on 31st March 2015 is at Annexure-I. Major reasons for low rural broadband internet penetration as provided by Telecom Service Providers are as follows:
- (i) Poor infrastructure and power supply condition in rural areas.
 - (ii) Low computer penetration in rural areas owing to high cost as compared to household income in rural areas.
 - (iii) Low literacy.
 - (iv) Scarcity of relevant content in local/ regional languages.
 - (v) Right of Way permission for laying of optical fibre and poor availability of optical fibre connectivity.

Under Bharat Nirman Yojana, Broadband coverage provided by Bharat Sanchar Nigam Limited (BSNL) to village Panchayats, as on 31st March 2011, is at Annexure-II.

(c) to (e): National Optical Fibre Network (NOFN) project was planned to connect all Gram Panchayats (approx. 2.5 Lakh) in the country through Optical Fibre Cable (OFC) by bridging the connectivity gap between Gram Panchayats (GPs) and Blocks for providing broadband connectivity. Under this project, at least 100 Mbps bandwidth was to be provided in all the estimated 2,50,000 GPs for utilization by all categories of service providers on non-discriminatory basis. As on 12.07.2015, OFC laying in 22,180 Gram Panchayats are completed.

In order to review the strategy and approach towards speedy implementation of National Optical Fibre Network, Government of India constituted a committee on 14th January, 2015. The committee submitted its report on 31st March, 2015. Recommendations of the Committee on empowered structure and empowering Bharat Broadband Network Limited (BBNL) are at Annexure-III. The recommendations are under examination in the Department of Telecommunications.

The Committee recommended that the project be renamed as BharatNet to reflect the national aspiration to establish highly scalable broadband network infrastructure accessible on a non-discriminatory basis, to realize the vision of Digital India, in partnership with States and the private sector.

Government has sought willingness of States to implement BharatNet the State led model through formation of State Government established Special Purpose Vehicles (SPVs). 10 States which have agreed to adopt the State led model for implementation are Rajasthan, Mizoram, Andhra Pradesh, Telangana, Tamil Nadu, Jammu & Kashmir, Chhattisgarh, Gujarat, Punjab and Odisha.

Annexure-I

Service Area-wise, rural/urban distribution of subscriber-base of Broadband Internet for the quarter ending March 2015
[Subscribers in Millions]

Telecom Service Area Broadband
Rural Urban
Andhra Pradesh including Telangana 2.08 5.46
Assam 0.51 0.76
Bihar including Jharkhand 1.21 1.96
Delhi 0.40 8.70
Gujarat 2.00 4.89
Haryana 1.09 1.17
Himachal Pradesh 0.46 0.28
Jammu & Kashmir 0.35 0.49
Karnataka 2.77 5.64
Kerala 2.52 3.35
Kolkata 0.19 2.68
Madhya Pradesh including Chhattisgarh 1.24 3.41
Maharashtra including Goa 1.79 7.44
Mumbai 0.10 7.06
North East* 0.40 0.59
Odisha 0.41 1.10
Punjab 1.02 2.35
Rajasthan 1.43 2.64
Tamil Nadu 2.27 7.56
UP (East) 0.96 2.29
UP (West) including Uttarakhand 1.09 2.49
West Bengal including Sikkim 1.22 1.39
Total 25.51 73.69
99.20

(Source: TRAI)

*North East includes Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura, Annexure-II

Broadband Coverage of Village Panchayats under Bharat Nirman by BSNL
(as on 31st March, 2011)

Sl.No State /UTs Total number of Village Panchayats Achievement

1 Andaman & Nicobar 67 56
2 Andhra Pradesh including Telangana 21862 12618
3 Assam 3943 1005
4 Bihar 8460 4216
5 Chhattisgarh 9837 2150
6 Gujarat (including Dadra Nagar Haveli & Daman Diu) 14439 7599
7 Haryana 6234 5242
8 Himachal Pradesh 3241 1660
9 Jammu & Kashmir 4146 885
10 Jharkhand 4559 2537
11 Karnataka 5657 3430
12 Kerala 999 997
13 Lakshadweep 10 5
14 Madhya Pradesh 23022 4157
15 Maharashtra (including Goa) 28078 10294
16 Tripura 1040 854
17 Mizoram 768 175
18 Meghalaya 1463 43
19 Arunachal Pradesh 1756 336
20 Manipur 3011 60
21 Nagaland 1110 982
22 Orissa 6233 2090
23 Punjab 12809 10393
24 Chandigarh 17 16
25 Rajasthan 9200 2946
26 Tamil Nadu 12617 7770
27 Pondicherry 98 98
28 Uttar Pradesh 52125 24427
29 Uttarakhand 7546 2001
30 West Bengal 3354 1587
31 Sikkim 163 66
Total 247864 110695

Annexure-III

Recommendations of the Committee on Empowered Structure and Empowering Bharat Broadband Network Limited (BBNL)

1. BBNL must possess the requisite managerial and technical capacities and must be duly empowered financial, operationally and administratively for efficient management.
2. The Committee, on reviewing BBNL's organisational structure, identified fundamental factors for restructuring it into an effective and performance oriented entity.
3. The Committee is of the view that if BharatNet is to be executed on time, at performance levels above global benchmarks, its governance must be boldly restructured – both external and within BBNL. In the Committee's view, this is the single most urgent, important factor that would determine BharatNet's implementation success. To successfully deliver BharatNet, the Committee recommends a governance structure that operationalises three strategic administrative principles.
4. The Committee recommends that in order to transform BBNL into a Board-led Company and professionalise decision-making at the Board-level by taking the following steps:
 - (i) Separate the posts of Chairperson and Managing Director and appoint a globally-renowned and eminent Indian with proven expertise in project management, preferably from industry, as non-executive Chairperson of the Board. The Committee suggests that the Chairperson may be selected by the Prime Minister along with the Finance Minister and the Minister of Communications & I.T through a search process.
 - (ii) Appoint an experienced executive from Government as Managing Director and Chief Executive Officer of BBNL for a defined term of 5 years. The Managing Director would have a highly accomplished, objectively credible track record of managing and delivering projects in the telecommunications, infrastructure or information technology sectors. At the time of appointment, quarterly project milestones would be negotiated with the Managing Director-select and these milestones would comprise part of the order of appointment. The Managing Director would be eligible to receive a consolidated pay and would face incentives and disincentives in emoluments in case of early or delayed achievement of quarterly milestones. The performance of the Managing Director shall be reviewed annually in terms of achievement of the quarterly milestones by a Empowered Project Group as detailed in paragraph to determine the incentives and disincentives.
 - (iii) Expand and professionalise the Board, to include both wider representation from key Government agencies and from industry, finance, telecommunication, consultancy and project management expertise. At least 50% of the Board of Directors shall be drawn from outside Government. The Committee has suggested the composition of the Board of Directors.
 - (iv) The Committee observes that a Search-cum-Selection Committee has been constituted under the chairmanship of Chairman, Public Enterprises Selection Board (PESB) for selecting a person as CMD BBNL on deputation basis for a period of 5 years, the post being open only to officers in Government substantively holding the post of Joint Secretary or equivalent be reviewed urgently in the light of the recommendations above.
 - (v) Professionalise BBNL's human resources and talent pool to world-class standards, in an organisation run according to best management practices. As an indicative measure, the Committee recommends that at least a significant proportion of all senior management positions should be drawn from amongst those who have previously not worked in Government.
 - (vi) Design for accountability so that BBNL's professional staff would operate in an organisational framework with clearly defined, coherently allocated responsibilities and powers.
 - (vii) Develop a two-tier operational framework, with centralised planning; distributed execution at State/Regional level.
5. The Committee suggests that BBNL should develop strong legal expertise to manage disputes that are likely to arise in interpretation of contract clauses. The Committee recommends that a credible third party dispute resolution and arbitration mechanism should be put in place for expeditious resolution of disputes.
6. Universal Service Obligation Fund (USOF) should be permitted to borrow from the financial market to smoothen short-term capital flows. The interest cost on this account shall be legitimately accepted as an element of project expenses by Government.
7. The Committee recommends a new approach for de-layering decision-making:
 - (i) Establish an Empowered Project Group headed by the Union Minister of Communications & I.T and including the Secretaries of the Departments of Telecommunications, Electronics & I.T, Economic Affairs, Industrial Policy & Promotion, Rural Development and Power, Vice- Chairman of the NitiAayog and Chairman BBNL. The Empowered Project Group will have Additional Secretary, Telecom, as its Secretary. This Group may be empowered by the Union Cabinet to take decisions on matters referred to it by BBNL which is beyond the purview of BBNL to decide. The Empowered Project Group can also invest BBNL with the authority to decide on matters in future that fall within the penumbra of jurisdictional uncertainty. Matters which the Empowered Project Group feels requires the consideration of the Union Cabinet shall be placed before the Cabinet along with its recommendation. The Empowered Project Group shall monitor project implementation, the flow of funds from Government for the project and the overall performance of BBNL. The Empowered Project Group shall directly report to the Prime Minister on progress in achievement of milestones and anticipated areas of shortfall. The Empowered Project Group shall substitute the Telecom Commission in so far as matters concerning BharatNet are concerned. Thereby, BBNL can directly refer, with the approval of its Board of Directors, matters to the Empowered Project Group through the Additional Secretary, Telecom-cum-Secretary.
 - (ii) Establish a Council for BharatNet which shall be chaired by the Union Minister of Communications & I.T and include Ministers of I.T of all States, Union Ministers of prominent user Central Ministries, Vice Chairman of the NitiAayog with Secretary, Department of Telecommunications as the Secretary to the Council. The Council shall meet once every six months for inter-agency co-ordination in project implementation and assess readiness for network utilisation.
 - (iii) Establish a Committee at the State Level to be chaired by the Chief Secretary of the State and including user Departments of the State Government with the CEO or a functional Director of BBNL as Member to support and troubleshoot BharatNet implementation, to formulate institutional mechanisms that exploit BharatNet capabilities and to integrate BharatNet with existing State networks.
