



SANCHAR NIGAM EXECUTIVES' ASSOCIATION KERALA CIRCLE

(Recognised Majority Association of Executives in BSNL)

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No:- SNEA/KLA/CGM/2016-17/131 dtd at TVM, the 20-6-2017

To

The Chief General Manager,
BSNL, Kerala Circle.

Respected Sir,

Sub: Provisioning of Broadband FTTH Services on Cable TV network – Requested for your immediate intervention – Reg.

Ref: (1) Circle Office Letter No. CFA-Mktg/10-85/2015-17/LCO Committee/5 dated 04/05/2016.

(2) Corporate Office, Letter No.64-253/2013-BB dated 12/04/2017.

(3) Corporate Office, Letter No.64-253/2013-BB dated 14/02/2017.

As you are aware, BSNL is facing strong competition from RailTel and other operators in the provisioning of Broadband Internet services. They provide FTTH Broadband services through the Optical Access Network of Local Cable TV Operators (LCOs) even in Rural and Remote villages. Our existing ADSL broadband connections are being grabbed by RailTel FTTH services.

In these circumstances your kind attention is invited to the letter referred as (2) issued from NWP - Broadband cell, BSNL Corporate Office, New Delhi. Wherein, a new business model, specified as Case IV is approved in addition to the existing three business models (specified as Case I, Case II, and Case III) for providing FTTH services in agreement with Builders / RWA / Telecom Infrastructure Providers on revenue share basis. The model details are given below.

Business model	Case I		Case II		Case III	
	No existing telecom infrastructure		OFC infrastructure available (laid by Builder/RWA/TIP) but not yet put in use		Full Telecom infrastructure available and services already offered by Different TSPs (its M/s Radius like situation)	
Revenue share %	BSNL (Minimum)	Builders/RWAs/TIPs (Maximum)	BSNL (Minimum)	Builders/RWAs/TIPs (Maximum)	BSNL (Minimum)	Builders/RWAs/TIPs (Maximum)
*	92	108	80	20	75	25

*Note: The revenue share as communicated above is applicable on the **overall realized revenue** (i.e. including rental/FMC & usage).

Business model	Case IV	
	Builders/RWAs/TIPs responsible for Supply, Deploy, Own, Operate & Maintain the OLTEs, ONTs and all the Telecom Network infrastructure beyond OLTEs up-to customer's premises.	
Revenue share %*	To BSNL (Minimum)	To Builders/RWAs/TIPs (Maximum)
	60%	40%

*Note: The revenue share shall be applicable on the **overall realized revenue** (including FMC & Usage).

As per letter under reference (3) corporate office approved to include Local Cable TV Operators (LCOs) as Telecom Infrastructure Providers for providing Broadband services on revenue share basis. The LCOs can be considered to operate on all revenue share business models including the Case IV model.

The BSNL Kerala circle was really instrumental in devising this new business model (Case IV) based on a specific study conducted at Trivandrum SSA entitled "A Comparative Study on Retail Business Processes of RailTel and BSNL in the Provisioning of FTTH Based Broadband Internet Services". Subsequently all technical aspects of the business model were tested in the OLT of a Local Cable TV firm in Trivandrum BA vide letter under reference (1). The testing was successful and it was witnessed by then Kerala CGM Sri. L. Anantharam. Even though such a promising business model has been approved by Corporate office and other circles like Telangana and Karnataka started operating this business model, we could not move ahead further.

The corporate office has already issued the format of agreement for EOI to be signed with the partner firms for the existing three business models (Case I, II and III). In the letter under reference (2) it is advised that the existing agreement shall be suitably modified by the CGMs of the circles for incorporation of business model Case –IV. Your kind intervention is requested to modify the existing agreement, if required, at circle level itself. Once it is devised at circle office, the respective business areas can immediately start the business.

In the present situation, to develop a full-fledged FTTH access network is time consuming and the delay may cause to lose our valuable Broadband customers. Therefore utilization of existing fibre optic access network of local cable TV operators is a potential business opportunity to BSNL. We once again request you to devise the format of agreement for the business model (Case IV) at circle office at the earliest to utilize the great business opportunity.

Thanking you,

Yours Sincerely



(T.Santhosh Kumar)
Circle Secretary, SNEA,
Kerala Circle.