



SANCHAR NIGAM EXECUTIVES' ASSOCIATION

KERALA CIRCLE

(Recognised Majority Association of Executives in BSNL)

SNEA Bhavan, Dharmalayam Road, TVM-695001

Circle President
George Varghese
DGM, Ernakulam
Mob: 9447162900

Circle Secretary
Jithesh.K.P
SDE, Kannur
Mob: 9447707475

Circle Treasurer
Suneer.S
AO, Circle Office
Mob: 9447341693

No.SNEA/Kerala/2018-19/II/100

dated at TVM the 12/05/2020

To

Shri. C V Vinod,
Chief General Manager Telecom,
BSNL, Kerala Circle

Respected Sir,

Sub: Commercial launch of IPTV bundled with BSNL FTTH – reg

We are all well aware that FTTH is going to be the major revenue earning service for BSNL in the coming days. BSNL is depending mainly on LCOs for the provisions and maintenance of the FTTH connections as it brings revenue without involving CAPEX/OPEX. Now a days arrangements are even being made for outsourcing model for maintenance of FTTH connections given from BSNL owned OLTs.

Under COVID-19 scenario, number of employees attending offices has drastically reduced and with the increase in Work from Home, the demand for high bandwidth connections at home has considerably increased. Even students are also attending their classes through online only. This is a boon for our FTTH business and we have to tap this opportunity by encouraging our LCO partners with additional value added features and better revenue share.

It is also a known fact that most of the LCOs are Multi Operator LCOs (BSNL just being one of the operator along with other ISPs providing connectivity to them). Most of the LCOs in Kerala are MSOs sharing BSNL as an ISP with Keralavision, Asianet, DEN , SITI, Bhoomika etc.

Since most of these operators also have cable TV network, they always lure BSNL customer leads/enquiries with combo offers including TV services of other ISPs. This unavailability of TV service (IPTV) is a major drawback which affects the popularity of BSNL FTTH connections among LCOs. Also, with the entry of the latest operator JIO in a very large scale, the need for IPTV service assumes huge significance specially when BSNL is hoping for revival and turn around in its revenues and fortunes.

Finally BSNL launched its IPTV services bringing huge relief and happiness among its staff and well-wishers, amid much fanfare in the Bharat Fiber & Bharat Air Fiber Business conclave 2020 at ERNAKULAM, by Honorable Director CFA Shri Vivek Bansal on 28-2-2020. But unfortunately, even after two months of inauguration, the whole IPTV service of BSNL is learnt to be a non-starter due to the following reasons:

1. A good and acceptable revenue share formula is yet to be finalized between BSNL, IPTVSP and LCOs
2. MPLS Link to all BA NIB location as a backhaul of IPTV uplink from IPTVSP ie from Main Cache Server to BA cache servers.

- **Revenue Sharing**

The Revenue sharing pattern of the basic Free to Air (FTA) plan of Cable TV / IPTV among the various service providers in Kerala is as follows

MSO Name	MSO Share	LCO Share
DEN Network	Rs.60	Rs.70
SITI Network	Rs.60	Rs.70
ASIANET	Rs.30	Rs.100
Bhoomika	Rs.20	Rs.110
Kerala Vision	Rs.20	Rs.110

As per corporate office order the revenue share between BSNL and IPTVSP is 50:50, which makes BSNL earn Rs 65/- and M/s Cinesoft (IPTVSP) earn Rs 65/- for the Rs 130/- FTA plan. The share for LCO needs to be provided by the IPTVSP.

It is learnt that M/s Cinesoft during initial discussions has offered to provide IPTV feed for Rs 25/- per customer, then the LCO will be provided with Rs 40/- per connection which makes BSNL FTTH/IPTV an extremely unattractive package for the LCOs.

Here we would like to suggest that IPTV should only be considered as a value added service for our FTTH connections, projecting our FTTH as a 'Real Triple Play' model where watching TV is not consuming the internet data of customers. **Thus the main revenue target for BSNL should be fixed at the FTTH plan revenue and not the revenue from the IPTV alone.**

It is also worth mentioning that each LCO need to install a Cache server along with their OLT for providing IPTV service with FTTH connection and the cost of this cache server is estimated to be around One lakh Rupees that caters around 1000 IPTV customers. Hence the revenue share of LCO should be attractive enough as it is IPTVSP and LCO who need to invest in hardware for the provision of IPTV (according to the architecture agreed upon) and BSNL is providing the media and its customer base as their investment. Hence it is only appropriate that the revenue sharing should be attractive to the LCO also.

We would like to suggest a revenue share plan of 50:50 between BSNL and IPTVSP where the shared amount fixed at Rs 50/- , where both BSNL and IPTVSP getting Rs 25/- each and the LCO being allowed to sell the connection @ Rs 130/- per customer , thus enabling the LCO get a share of Rs 80/- per customer. This plan makes it more or less aligned to industry/field standards in revenue share.

Further we may also think out offering free IPTV service as a Combo pack for higher FTTH plans. (Say for FTTH Plans above 1277 BSNL may waive IPTV share so that either customer or the LCO partner will get additional benefit) With this BSNL should be targeting more FTTH connections to be rolled out through LCOs, with IPTV as a value added service of our FTTH connection. Those connections which BSNL have given directly from BSNL OLTs may continue in 50:50 pattern where IPTVSP is given 50% of the amount for which the IPTV connection is provided to customers.

- **Link between Main Cache Server at EKM and Cache servers at BA NIB locations**

As per the architecture agreed upon, IPTVSP will install the main cache server at Ernakulam and also child cache servers at all BA locations. The Child Cache servers need to be connected to the Main Cache servers at Ernakulam via MPLS links.

It is learnt that Circle Office has not yet sanctioned for the provision of those links. It is also a known fact that there is no shortage of MPLS Ports and Links as of now in any BAs and unutilised ports doesn't bring about any revenue unless it is put to use. The connectivity between these Child and Main Cache server is a must for rolling out IPTV service in all BAs.

Each new IPTV provisions made through LCOs or through BSNL OLTs in those BAs bundled with our FTTH plans will add to the revenue through those links in addition to the IPTV revenue (as we are planning to give IPTV bundled with FTTH). Hence we request the circle office team to desist from calculating the IPTV revenue only as the revenue from those MPLS links.

In this regard, we request your good office to approve those links at the earliest which will aid the rollout of FTTH service on a PAN Kerala basis.

As recognised representative association, SNEA look forward to your esteemed personal intervention for the commercial launch of IPTV through BSNL FTTH network, BSNLs version of Real Triple Play service at the earliest. Also, we would like to mention that during this COVID lockdown period BSNL could outperform the other ISPs, we will be able to capitalise this goodwill after Lock down, only with the help of IPTV service.

Thanking You,
Sincerely Yours



Jithesh K P.
Circle Secretary
SNEA Kerala Circle

Copy to: Shri P.G.Nirmal, GM (S&M-CFA), Kerala Circle