

13 SEP, 2011, 04.28AM IST, JOJI THOMAS PHILIP, ET BUREAU

## TRAI, private mobile phone companies object draft tender for rural wireless broadband

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NEW DELHI: Telecom regulatory authority of India and private mobile phone companies have objected to several clauses in the government's draft tender for rolling out [wireless broadband](#) services in rural India, with support from the [Universal Service Obligation Fund](#) (USOF).

They have, for instance, cautioned the telecom department (DoT) against reserving one of the two slots for state-owned BSNL, as this will force all private operators to bid for just one slot. Besides, telcos also share the view that reservation for [BSNL](#) was not justified as all mobile phone companies contribute 5% of their revenues towards the [USOF](#), which is used to support rural telephony.

Internal [DoT](#) documents reviewed by ET reveal that the department may increase the number of slots to three to ensure that at least two private telcos are selected for the multi-billion-dollar project through the bidding. The other option being explored is to continue with two slots, both of which will be awarded only through a competitive bidding process, internal noting in these documents reveal.

The [Trai](#) has also raised concerns over subsidising companies that have bagged third generation or wireless broadband airwaves (BWA) in last year's auctions, if they were to be selected for this project. The regulator has pointed out the mobile permits that were given to the winners of [3G](#) and BWA airwaves already contain clauses mandating these companies to rollout these services in rural India within five-year timeframe. The Trai fears that these companies may use this subsidy to fulfil their [3G](#) and BWA rollout obligations.

Other clauses in the draft tender, which have been raised by Trai and private operators, include restricting the bidding for this project to only those telcos that hold either [3G](#) or BWA spectrum. While the draft states that all operators may be allowed to bid and winners would also be permitted to offer wireless broadband services in unlicensed bands, telcos have pointed out that this would lead to poor quality of services due to spectral interference.

Private telcos also want the final tender documents to allow Mobile Virtual Network Operators (MVNOs), where the winner can share both the spectrum as well as the network of existing players. The DoT note adds that telcos have pointed out that BSNL may create a network, which could be used by other operators through the MVNO model saving costs.

ET had reported in June that the DoT estimated the cost of the project to be between Rs 6,000 and Rs 8,000 crore. The objective is to offer high-speed connectivity to individual households, panchayats, hospitals, schools, factories scattered across some 5 lakh villages across the country. Depending on the choice of the package, the target audience will be able to experience download speeds from 512 kbps upgradable to 2 mbps. The capital cost of providing wireless broadband connectivity to some five lakh villages is pegged at Rs 15,000 crore.

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