

e-INDIA 2008

**MISSION :
RURAL CONNECTIVITY**

Presentation by

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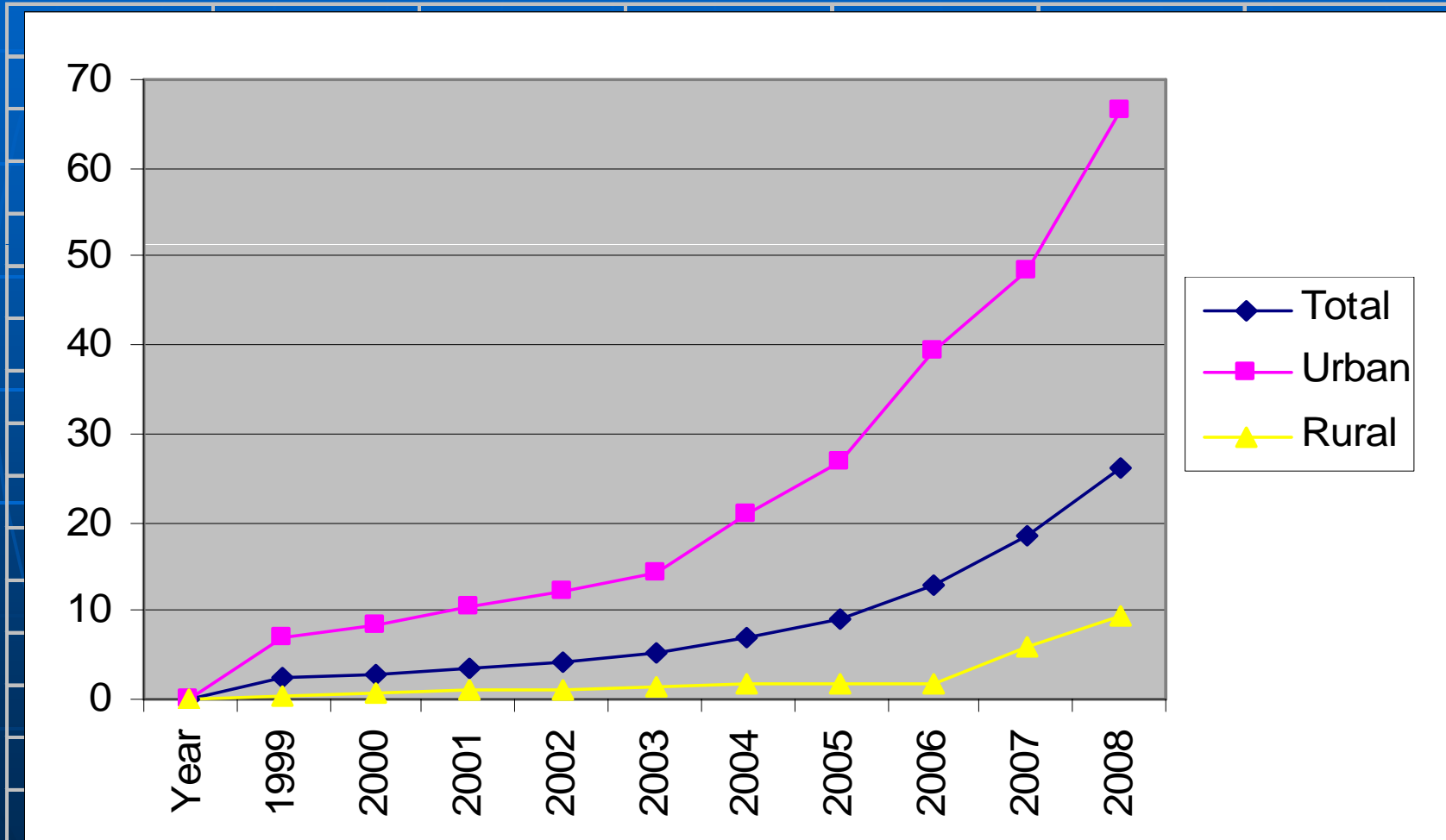
Telecom Scenario

Figures as on 31.05.2008

(In Million)

	Total	Urban	Rural
Population	1149	339	810
Landline - Connections	39.05	27.60	11.45
- Teledensity	3.40%	8.15%	1.42%
Wireless - Connections	277.92	207.61	70.31
- Teledensity	24.19%	61.32%	8.67%
Total - Connections	316.97	235.21	81.76
- Teledensity	27.59%	69.47%	10.09%

Growth in Teledensity



Rural Telecom – Opportunity or Challenge?

- Rural telecom initially viewed as a challenge by operators
- Low revenue and high capex main reason for this view
- Other infrastructural problems make the situation more complex

Rural Telecom – Opportunity or Challenge ?

- Perceptions now changing as rural markets offer greater growth opportunities
- Teledensity still under 10% offering vast growth potential
- Improvement in rural infrastructure will drive growth further
- USO initiatives aimed at addressing some of the relevant issues

Actual Access Gap

Rural/Remote Area Penetration

WHY LIBERALISATION AND COMPETITION ARE NOT ENOUGH

- SCATTERED POPULATION
- LOW INCOME
- LOW TELEPHONE USAGE
- LACK OF COMMERCIAL/INDUSTRIAL CUSTOMERS
- INVESTMENT FROM SCRATCH
- LACK OF ROADS, POWER ETC.
- DIFFICULT TERRAIN,
- INSURGENCY
- HIGHER CAPEX AND OPEX, LOW ARPU

Public Access Activities

- Subsidy support is being extended for O&M of VPTs in the revenue villages identified as per Census 1991 and installation of VPTs in the additional revenue villages as per Census 2001
- Support being provided to BSNL and six PBSOs for operation & maintenance of about 5.26 lakh existing VPTs [BSNL: 5,18,059, PBSOs: 8,713].
- Subsidy support is being extended for replacement of 182766 Multi Access Radio Relay Technology VPTs installed before 1st April 2002 with reliable technology VPTs. Out of these, 180115 MARR VPTs replaced till Dec'07.

Infrastructure Sharing For Rural Mobile Telephony

- About 7800 towers to be installed by Dec. 2008
- 24 Million lines capacity to be created
- About 2 Lakh uncovered villages spread over 500 districts to be covered under the scheme
- Infrastructure created to be utilized for providing broadband connectivity to villages
- About 11000 additional towers to be set up in second phase of the scheme
- Total 60 million capacity will be created under USOF assisted infrastructure schemes by 2010
- Seeding of rural areas to enable the market forces to take over

New Scheme – Rural OFC Connectivity

- Creation of general infrastructure in rural and remote areas for development of telecommunication facilities
- Improvement of OFC network between BHQ and DHQ for voice and data connectivity
- Identify gaps
- Augmentation of terminal equipment/ laying additional fibre
- Beginning to be made in North Eastern states
- Fibre to the village – an ultimate solution once the demand, content and market is created.

Approach to Rural Broadband

- Block Hqrs being used as focal points
- Existing infrastructure to be used
- Towers outside the Block Hqrs. can also be used
- Technology neutrality to be maintained
- Broadband connections
 - Planned : 9 m connections by 31.3.2008
 - Achievement : 3.9 m connections by 31.3.2008

(Rural : 0.10 m, Urban : 3.80 m)

USOF supported infrastructure will enable aggressive penetration of Rural Broadband

Broad Strategy Evolved

- Provide connectivity using Asymmetric Digital Subscriber Loop (ADSL) in the 20000 odd villages where BSNL has a rural exchange. (DIT assisted)
- BSNL to provide broadband wireless connectivity to villages in those 1000 blocks where only BSNL has a tower covering approx. 20,000 villages. (DIT assisted)
- Support from USOF in those blocks where more than one service provider has infrastructure or where there are no towers.
- Approx. 200000 villages in 5000 blocks shall be covered using wireless broadband.
- Targeted users - Schools, Health Centers, Panchayats, CSC etc.

Issues in Rural Broadband in India

- About 600000 villages in India
- About 20000 rural telephone exchanges offering fixed line connectivity
- Thus fixed line broadband has a limited role to play
- Wireless technologies for rural broadband only answer for full coverage

USOF's Role in Broadband in India

- USO has a scheme for subsidising setting up of mobile infrastructure.
- About 7800 towers are being put up to bring far flung areas under mobile coverage in the first phase.
- About 11000 towers proposed to be put up in the second phase to give coverage to very remote areas

USOF's Role in Broadband in India

- Provision has been made in all the towers to have wireless broadband in future.
- USOF has thus paved the way for wide ranging rural broadband coverage depending on need in the near future.

THANK YOU !