

DoT, Pitroda clash over rollout of Rs 12k-cr optical fibre project

KOLKATA: Serious differences from within could stymie the Central government's ambitious plan to bridge the digital divide across the country.

Sam Pitroda, advisor to the prime minister on information, infrastructure and innovation, and the Department of Telecom (DoT) are on a collision course over the execution of the Rs 12,000 crore optical fibre cable (OFC) project that involves delivering mass broadband connectivity to 2.5 lakh panchayats across the country in two years.

While Mr Pitroda has dialled the Prime Minister's Office (PMO) for immediate formation of a special purpose vehicle in which BSNL, RailTel, PowerGrid, C-DoT, National Informatics Centre (NIC) and Universal Service Obligation Fund (USOF) are to be co-stakeholders, DoT is dead against the idea and is instead angling for state-owned BSNL to deliver the country-wide broadband push.

The Pitroda letter to the Prime Minister that was viewed by ET said: "An SPV should be set up immediately with representation from key stakeholders like the USOF, BSNL, Rail-Tel, PowerGrid, C-DoT and NIC for autonomy, flexibility, transparency and accountability required for speedy implementation of the broadband project."

In response, DoT, in an internal communiqué to the PMO, has contended that "a multi-agency/command structure" along the lines suggested by Mr Pitroda could "trigger huge cost and time overruns for the broadband project". This communication was also reviewed by ET.

"Instead of forming an SPV as a corporation with equity participation from BSNL, PowerGrid, RailTel, NIC, USOF and C-DoT, it is suggested that the SPV only oversee the initial planning, implementation and co-ordination, more in the nature of a steering committee, which may be dissolved on completion of the project. BSNL can be the logical choice for time bound, seamless execution of the broadband project as it has the requisite technical expertise and is the biggest owner of OFC resources in the country," the letter said.

The telecom department's rationale is based on the fact that state-owned BSNL owns 6.25 lakh route km of OFC of the total 11 route km of OFC laid across India, which is well beyond the present OFC resources of either PowerGrid (20K route km) or RailTel (52K route km).

"Since BSNL has already provided OFC connectivity to nearly all districts, sub-districts and blocks, it will merely need to lay incremental fibre from the blocks to the gram panchayats," according to the letter.

"From that perspective alone, only BSNL can deliver this ambitious rural broadband push at the least cost in the shortest time band," a DoT official told ET.

DoT has also pointed out that since USOF will be the funding agency for the project, its own rules stipulate the bidding route for selection of “an agency” or “a group of key stakeholders” for execution. Accordingly, if the project is awarded directly to a group of key stakeholders without going through the tendering process, it would need relaxation of USOF Rule No 526, according to the letter. DoT has further added that since the project will be funded by USOF, it “ought to be implemented by telecom service providers” in step with USOF’s other schemes.