

Publication:	The Business Standard	Page No:	4
Place:	New Delhi	Date:	2/7/2019

Policy to monetise fibre network of BSNL on the cards

SOHINI DAS
Mumbai, 1 July

The Department of Telecommunications (DoT) may soon bring out a policy framework that would enable the public sector telecom major Bharat Sanchar Nigam (BSNL) to lease out its vast 700,000-route-km fibre network to other telcos to ensure a steady cash flow to stay afloat.

"BSNL has been leasing out its fibre network to internet service providers (ISPs) for some time now. However, it had initially refrained from leasing it out to competing telcos. It has now started receiving requests from incumbent telcos for sharing its fibre network, which presents a revenue potential," a senior government official said.

The official said there needs to be some clear policy framework, including the pricing that can be recommended by the Telecom Regulatory Authority of India (Trai). BSNL has already conveyed the same to the DoT in the form of a proposal, he said, adding that a policy guideline is expected in the next two to three months.

A senior official in the telecom department said the government was working on the revival plan for BSNL and Mahanagar Telephone Nigam (MTNL) on a priority

basis and whatever policy support was required would be taken up soon.

With more than 700,000 route km, valued at over ₹50,000 crore, BSNL has the largest optic fibre network among all telcos. "BSNL also plans to take over the optic fibre network of Bharat Broadband Nigam (BBNL) for operations and maintenance. This was laid under the BharatNet programme and is around 200,000 km or so, with some overlap areas," the gov-

ernment official said, adding that this, too, can be monetised to raise funds for the survival of the telco.

The cost of laying down fibre varies from ₹5 lakh per km to ₹1 crore per km (in metros where right of way is difficult). A telecom sector

expert felt that BSNL can earn up to ₹30,000 crore annually if it is able to efficiently monetise its fibre network. "The fibre network of BBNL and BSNL can be brought together under an InvIT and then it can be leased out to private telcos and other interested investors, too, can come on board then. This way, the largely under-utilised assets could be monetised, and efficiently done this can generate revenues worth ₹30,000 crore per year," he said.

With more than 700,000 route km, valued at over ₹50,000 crore, BSNL has the largest optic fibre network among all telcos