

## PAPER 11

**Additional White Paper can be there on USOF activities through an independent License**

1. **Can we have USOF Project coming with a License Award for the area covered (cluster for villages and not for State level license)?**
2. **Can this license mandate existing licensees in the State to offer Reference Offers to new USO licensees (players) on:**
  - a. **Shared Spectrum resources for 3 to 5 years period based on reference offers from existing state licensees**
  - b. **USOF licensee installs his equipment including WiFi, Radio, Satellite and mobile equipment for providing coverage in select cluster of villages.**
  - c. **USOF licensee can provide his own Billing and Customer Service facilities.**
  - d. **Shared Network resources (active and passive) based on a reference offer from existing State level licensees with terms approved by TRASI**
  - e. **Mandatory Interconnect facilities with existing licensees at the State level so that calls from these cluster of villages can be routed to any part of the world.**
  - f. **USOF licensees thus covers many CAPEX elements to OPEX**
  - g. **He can provide better QoS as compared to existing licensees in the state as he has control on his equipment and model works better than MVNOs**
  - h. **Dependence on the USOF project on existing state level licensees ends.**
  - i. **The problem of tens of thousands of villages with no coverage presently and their endless wait and being at mercy of existing licensed players' end.**
  - j. **Model will support small players to directly implement the USOF projects using their own equipment independently**
3. **It appears that companies like Lekha Wireless, Aristome and many others VOICE members from Bangalore had submitted proposals on last mile connectivity. The details can be shared with DG, VOICE and that can be Paper 13 or may be merged with Paper 11 based on available details.**
- 4.

## PAPER 12

### White Paper from VoICE Association on recent USOF tender for the Aspirational Villages and related issues

#### 1. USOF tender for the recent Aspirational Villages

- a. USOF floated tender for 4G based Mobile Services in identified uncovered villages of Aspirational Districts in the states of Andhra Pradesh, Chhattisgarh, Jharkhand, and Odisha.
- b. Although the tender calls for compliance to DOT's PPP-MII Order 2017, it does not specify list-item wise compliance of Local Content as prescribed in DOT's PPP-MII Order. Similarly, compliance to TEC GR, as prescribed in DOT PPP-MII Order 2017, has not been made mandatory.
- c. A fool-proof mechanism should be established to ensure the compliance of prescribed LC limited as per DOT PPP-MII Order 2017.
- d. Like TSEC by BSNL QA, Testing & certification by TEC/ TSEC, or any accredited lab by TEC, must be made as a mandatory requirement to avoid any circumvention of the policy. The products approved by TEC/ TSEC only should be allowed to be deployed in the network being funded by USOF.
- e. The current approach to circumvent government policies was also used by USOF in LWE-II as well as NER tender for mobile services where imported equipment is being deployed by TSPs who have started implementation.
- f. Technical team involved in tender clearance at every stage tried to dodge when the issues were raised by forums through DPIIT. These projects as are in initial stages and implementation has not yet started and there is a need to re-look into the equipment proposed for deployment as these networks are being funded by USOF. TSPs should be told to deploy TEC GR approved products complying to PMI guidelines of value addition as per prescribed list.

#### 2. Non-Compliance TEC GR in USOF projects

- a. USOF tenders floated in last few years for provision of mobile services do not involve intentionally any TEC specifications for equipment to be used.
- b. None of these tenders, as well as currently in process tender asked for TEC GR approved products. Clearly showing how the government policies are circumvented openly

by the government officials intentionally themselves and wrong justifications are being given when the issue is raised through DPIIT.

c. All these tenders should be relooked for compliances as per PMI policy which was asked in tender for compliance by TSPs.

	<b>Scheme Name</b>	<b>Tender No</b>	<b>Date</b>
	Provision of mobile services in 354 uncovered villages	DDG (Spl.Projects) / USOF/ Uncovered/2018-19	17.1.2019
	Provision of mobile services based on 4G technology in identified uncovered villages A&N Islands	USOF/TENDER/ ANI/30-174-7/ 2015-USO-BB (Vol.XII)	08.05.2020
	Provision of 4G based mobile services in identified uncovered villages in aspirational Districts	USOF/TENDER/ Aspirational Districts /1/2020	19.05.2020
	provision of 4G based mobile services at MHA identified tower locations in Left Wing Extremism (LWE-II) affected areas	USOF/TENDER/LWE-II/ 30-164/2020	11.03.2021
	4G based mobile services in identified uncovered villages & along NHs of Meghalaya	USOF/TENDER/MEGHALAYA/30-252-7/2019	10.02.2020

### 3. Exclusion of Domestic companies in the USOF tenders

- a. Despite having applicability to PPP-MII Order in USOF tenders, all the last many projects have been awarded to Private TSPs and equipment supplied by foreign MNC companies.
- b. None of the domestic equipment vendors could get an opportunity to supply the equipment, despite have competence and ability to supply where intentionally tender requirements are tweaked to promote foreign products.
- c. The USOF states that the tenders are service based tenders based on Viability Gap Funding (VGF) and the actual deployment of products is the responsibility of the bidder. As per extant DIPP guidelines including PPP Projects and VGF schemes funded by USO shall be governed by compliance to Public Procurement Guidelines.
- d. The PPP-MII Order policy has been circumvented in these tenders as no one in USOF certifies technically that products deployed on site fulfils the PMI guidelines as per tender

and are Indian products which shows intention of promoting foreign products. Recently ongoing USOF projects under implementation can be scrutinized to refute the claim made by us.

#### **4. Outstanding payments from BSNL**

a. The industry through various industry associations request intervention of DOT and Finance Ministry for regular payment by PSUs like BSNL.

b. We have observed the outstanding payments declared by BSNL, as we understand, are only CAPEX payments, whereas huge OPEX outstanding is pending for payable with BSNL from respective circles. This is increasing on a QoQ basis and the vendors finding it difficult in cashflow.

c. In case of LWE Phase I, the vendors doing the O&M activity have O&M outstanding to the tune of Rs. 200 Crs since last more than 1 year but the data is not transparently shared and projected in any forum despite repeated reminders at CMD level

#### **5. Classification of HS Codes and Imposition of BCD**

a. With the advancements in telecom sector globally and convergence of multiple technologies, many new products / solutions have been evolved.

b. These new products have not been properly classified under the HS Code Classifications and hence are being imported under "Others" or "Parts" categories to bring in zero duty BCD structure.

c. A detailed study should be undertaken by the DOT and concerned ministries to identify the new generation products to allocate specific HS Codes. Those new generation products for which domestic industry-built competence, requisite BCD should be imposed to provide level playing field to the domestic industries while competing with foreign products.

#### **6. Manufacturing Definition**

Defining the manufacturer of telecom equipment should be properly formalized by government to provide benefits to Indian manufacturers. We propose that the company which is having its R&D registered from DSIR should only be categorized as manufacturer. The basic philosophy of the suggestion is based on analogy that if a company is having R&D in India, it will have full control on any product it is moving into i.e., from inception to design to control all variants to components and then assembly of those components to deliverable products.

It should be clearly separated from the assemblers who either copy the foreign products to assemble the look alike products to sell in India or do assembly of foreign products where design rights are with outside Indian companies.

All government incentive schemes to promote knowledge-based economy should be given to manufacturers to create knowledge base which will encourage more and more startups and innovations.

## **7. Indian Product:**

Like defining the Indian manufacturer, efforts should be made to define category of Indian product from imported designs assembled in India. This will pave way for custom authorities to impose duties which will be in line with government vision of AtmaNirbhar Bharat.

The fully imported product or components going into assembly of that product in India can be put under duty to further promote innovation in India and create more and more Indian products.