USOF: Role & Responsibilities

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National Institute of Communication Finance

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History of Universal Service

- **1837** Concept originated by Rowland Hill in Britain with his postal reforms (uniform rates and prepayment by sender via postage stamps)

- **1907** Term originated in Theodore Vail’s slogan of ‘One Policy, One System, Universal Service’ for AT&T, USA

- **1934** It became a national policy for making available wire & radio communication service with adequate facilities at reasonable charges across USA

- US is a key objective of the UPU. Even Art 1(d) of ITU lays a broad directive for States “to promote extension of the benefits of the new technology to all world’s inhabitants”
### Funds around the world (ITU sept 2013)

#### Table 1: Overall profile of 69 funds studied

<table>
<thead>
<tr>
<th>Region</th>
<th>Africa</th>
<th>Arab States</th>
<th>Asia Pacific</th>
<th>Europe and CIS</th>
<th>The Americas</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Funds Studied</td>
<td>22</td>
<td>7</td>
<td>16</td>
<td>8</td>
<td>16</td>
<td>69</td>
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<tr>
<td>Funds that Permit Broadband</td>
<td>4</td>
<td>4</td>
<td>9</td>
<td>2</td>
<td>8</td>
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<tr>
<td>Number of Funds with High Activity</td>
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<td>8</td>
<td>3</td>
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<td>Number of Funds with Moderate Activity</td>
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<td>2</td>
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<td>1</td>
<td>4</td>
<td>3</td>
<td>13</td>
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<tr>
<td>Number of Inactive Funds</td>
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<td>5</td>
<td>0</td>
<td>3</td>
<td>18</td>
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<tr>
<td>Funds that Include Tele-centres or Community ICT Centres</td>
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<td>3</td>
<td>5</td>
<td>2</td>
<td>7</td>
<td>27</td>
</tr>
</tbody>
</table>

| Funds with Inclusion for Persons with Disabilities | 9      | 1           | 5            | 5              | 4            | 24    |
| Connectivity of Anchor Institutions*4            | 8      | 2           | 6            | 1              | 8            | 24    |
| Funds with Special Inclusion for Women*          | 1      | 0           | 3            | 0              | 0            | 4     |
| Consistent published financial reporting         | 2      | 1           | 4            | 2              | 8            | 17    |

The term ‘inactive’ excludes the countries in which the law addresses USFs but where the provision has not been enacted.
Learning from best practices

However, it is important to stress that no blueprint can foresee or encompass all future developments that might take place as regards the conditions impacting the requirement for and the nature of universal service; in other words, one should anticipate that the vision of what USFs entail will undergo constant evolution and change. Twenty-five years ago, for instance, no one would have possibly envisaged the rapid development of or demand for wireless communications and mobile broadband nor would they have foreseen the mushrooming need for increasingly life enhancing applications such as e-education, e-health, etc., or the need for greater attention and remedial action in the area of digital inclusion. Therefore, any ‘ideal’ vision that may be articulated in this report would no doubt be outdated within a matter of few years; hence the continuing emphasis on the need for flexibility in the creation of any USF vision and/or operating blueprint.
Access vs. Service as policy goal

- **Universal access (UA)** is when everyone can access the service somewhere, at a public place.

- **Universal service (US)** is when every individual or household can have service or adequate proportion of the population can. (i.e., subscriber penetration targets)

- With the onset of Broadband revolution & maturation of mobile/wireless communications, UA/US policies & strategies is looking beyond telephony.

- In the deregulated competitive sector, the US obligation of the State towards the excluded sections, un-served or the underserved areas remains of paramount focus of the State.
Timeline of changing focal points of USOF

**US: (Stream I) ‘02-‘16**
- Public phones
  - VPT /RCP schemes (‘02-‘12)
  - New VPT ‘09-‘16 (Feb)

**UA: (Stream II) ‘02-‘14**
- Rural household phones
  - RDEL scheme (‘02-‘10)
  - RDEL (Prior to ‘02), still being funded

**UA: (Stream III) ‘07- …**
- Mobile voice coverage
  - Mobile (‘07- Nov. ‘13)
  - LWE & Mobile for uncovered villages schemes upcoming

**UA & US: (Stream IV) ‘09-‘18**
- Wire-line BB
  - Provisioning of BB Kiosk & BB connection ‘09-‘18 (Jan)

**UA: (Stream V) ‘10- …**
- General Infrastructure
  - OFC infra Coverage schemes (Assam - ‘10-‘17, NE I/II - ‘12-‘20)
  - NOFN, Transmission Plan in NER, Submarine OFC & Satellite B/w augmentation in Islands,

**UA: (Stream VI) ‘10- …**
- Pilots- on new tech. developments
  - SMCF (‘10-‘14) & Sanchar Shakti (‘12-…)
  - & Renewable energy support to towers
100% (1.28 b.) Population

90% (1.15 b.) mobile coverage

71% (908 m.) Excludes < 14 yrs.

38%* (486 m.) Unique subscriber

48% connections among 864 m. rural residents

144% connections among 420 m. urban residents

*Real Tele-density figures excludes non-addressable population, shared usage, multiple SIM ownership

Ref. Deloitte – digital inclusion & mobile sector taxation in India
Barriers to rural digital connectivity

• AVAILABILITY
  o Depends on Investments in the public good with high network effect or value addition to the network due to addition of another rural resident
  o Prioritised investment in Urban areas, more lucrative
  o Lack of basic infrastructure – 19909 villages are yet to be electrified
  o Prohibitive cost of infrastructure roll-out and O&M
  o Accelerating cost of incremental network to reach out an additional unconnected rural resident
Barriers to rural digital connectivity

• ACCESSIBILITY
  o 10% of population without any mobile coverage
  o 31% rural penetration based on unique subscriber or 596 m are unsubscribed
  o 62% (794 m) do not have a mobile phone
  o Only 9% mobile internet access as against 53% in urban; total of 306 m across India
Barriers to rural digital connectivity

- AFFORDABILITY
  - For poorest 20% of population, utility phone costs on average 3.4% of their annual income, 11% in case of basic phone and 45% on a smartphone
  - Low income households less likely own a mobile phone than those in urban areas
  - Tariffs
Barriers to rural digital connectivity

• USAGE
  o Supply creates its own demand – not true
  o Ecosystem
  o Digital literacy
  o Local relevant content
Goals of USOF

- **Availability:** the level of service
- **Affordability:** the price of the service
- **Accessibility:** all subscribers should be treated in a non-discriminatory manner

Digital inclusion & GDP growth rate

ICRIER: Every 10 percentage points hike in mobile/internet penetration causes GDP to rise by 1-2 percentage points
Guiding Force behind the intervention

- Build Capabilities
- Capacity to avail other Entitlements
- ICT as an Entitlement

ICT as tool (means)

Making ICT services Available, Accessible & Affordable enough

Individual Development

* NTP 2012 has one of its goal as ‘Right to Broadband’
Genesis in India

• **One of the objectives of the NTP ‘94 was Universal service** : provision of access to all people, covering all villages as early as possible, for certain basic telecom services at affordable and reasonable prices.

• **New Telecom Policy (NTP) envisaged development of telecom facilities in remote, hilly & tribal areas and provision of universal services to all uncovered villages.**
  
  *Private sector involvement was found to be slow as envisaged in NTP ‘99, all service providers were encouraged to participate in USO via reimbursement from USOF.*

• **TRAI recommendations for est. of USOF & USL @5% of AGR of the TSPs** except pure VAS providers
  
  • Universal Service Support Policy (USSP) came into effect w.e.f. 1.4.2002.
  
  • Administrator, USOF was appointed on 01.06.2002

• **The Indian Telegraph (Amendment) Act, 1885 gave statutory status** to USOF w.e.f. 1.4.2002
  
  • Act defines USO as the obligation to provide access to telegraph services to people in rural & remote areas at affordable and reasonable prices
Genesis in India

'04
- Rules for administration of the Fund was notified as IT (amendment) Rules, 1951
- Net Cost definition in Rule 525 & 523
- **Two streams** (Rule 525) of US obligation funding for the activities
- Powers of Administrator defined under Rule 524

'06
- **Four more streams** (Rule 525) of USO funding added
- "obligation to basic telegraph services" substituted by "obligation to provide access to telegraph services" vide Indian Telegraph (Amendment) Act

'11
- All of the USOF activities came **under Plan** Budget from 2011-12

'12
- Eligible operators definition in ITR modified to mean ‘entities having valid license or registration or authorisation from Central Govt. for providing telecom services/infra. or any other entity.
- **NTP 2012** - ‘Right to broadband’ enshrined and **envisaged provisioning of converged communication services in commercially unviable rural & remote areas using USO Fund**
Subsidy disbursed against closed & ongoing schemes in each Stream of USOF Activities signifying the currently prominent Streams

- **Stream I**: 118 cr
- **Stream II**: 7,500 cr
- **Stream III**: 597 cr
- **Stream IV**: 3,562 cr
- **Stream V**: 448 cr
- **Stream VI**: 6 cr

Subsidy disbursed against closed & ongoing schemes in each Stream of USOF Activities.
## Subsidy streams of USOF

### Public Access
- VPT-OPEX, MARR VPTs, VPT-1991, and RCP
- On-going VPT-2001

### Individual Access
- RDEL-A,RDEL-B,RDEL-X
- RDEL–Prior to 1.4.2002 (subsidy support is being extended and under consideration by Telecom Commission)

### Mobile Connectivity
- Shared Mobile Infrastructure scheme -Part A (IP)& B(USP)
- Ongoing LWE scheme & Upcoming Comprehensive telecom development plan for North East, uncovered villages of Himalayan & western Border states etc

### Broadband Connectivity
- On-going Rural Wire-line broadband scheme (individual connections & kiosks)

### General Infrastructure
- On-going schemes for subsidy support for Optical Fibre Cable in Assam, NE-I & NE-II and National Optical Fibre Network, A&N connectivity via OFC & satellite and NOFN Phase I

### Pilot Schemes
- Solar Mobile Charging facility by TERI
- Sanchar Shakti scheme for free of cost dissemination of customised information (Mobile-VAS) to rural women
- Renewable energy support for mobile towers

- Targeting the needy & extension of new converged services to the excluded
Stream-wise share in the total subsidy disbursed by USOF

- **Stream I (Total 2635 cr.)**: 12%
  - Provision of Village Public Telephones & Rural Community Phones

- **Stream II (Total 13683 cr.)**: 64%
  - Provision of rural household wireline telephones

- **Stream III (Total 1003 cr.)**: 5%
  - Provision of Mobile telecom services in rural/remote areas

- **Stream IV (Total 3562 cr.)**: 17%
  - Provision of Broadband Connectivity in rural/remote areas

- **Stream V (Total 448 cr.)**: 2%
  - Creation of General telecom infrastructure in rural/remote areas

- **Stream VI (Total 7 cr.)**: 0.03%
  - USOF pilots for assessing the viability & feasibility of new telecom technologies for rural/remote areas
Objectives

» **Economic:** Network extension & stimulate uptake of the ICT services in rural/remote areas

» **Social:** Mainstreaming the underserved & unserved areas/groups

» **Political:** to enable citizens exercise their political rights in an informed way and

» **Constitutional:** Equitable distribution of the fruits of the telecom/digital revolution and fair allocation of national resource (pooled USO levy) via targeted subsidies
USOF: Attached office of DoT

- Administrator (Secretary rank) endowed with the powers of a Head of department & reports to MoC&IT
- USO Fund administration
- Policy making, define/review the scope
- Agreement formulation & signing with Service Provider with subsidy support for carrying out the USO (unviable rural/remote areas)
- Subsidy authorizations to CCAs
- Directions & clarifications to Service Provider & CCAs
- Monitor performance, issue inspection guidelines
- Conducting impact assessment & evaluation
Rule 524 of ITR, 1951 lays down the power of the Administrator, USOF to-

- Settle the claim of Universal Service Provider after due verification, and make disbursements accordingly from the Fund;
- Specify relevant formats, procedures and records to be maintained and furnished by the Universal Service Provider;
- Monitor the performance of the Universal Service Provider as per the procedure specified by him from time to time.
Gaps Model

Source: Navas-Sabater et al., 2002.
Principles of USO Funding

- Cost-effective utilisation of Fund
- Access Gap - Market dynamics
- Technology neutrality & level-playing field in selection of USP
- Non-discriminatory access to USO-funded infrastructure
- Market Discovery of Access Gap*
- Rural – Urban digital divide
- ITRs-1951

* Assessment of Net Cost of subsidy support via competitive & transparent tendering process
<table>
<thead>
<tr>
<th>CCA</th>
<th>HARYANA</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
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<tr>
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</tr>
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<td>Year</td>
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<td>Details of Condonation/Remarks</td>
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<td>Remarks</td>
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Activity: WIRELINE-BB
Max. Connection 0
Closure Date: 19/01/2017
Service Provider: BSNL
Date of sending OSR-1: 02/09/2015
### Claim Intimation (OSR-1)

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### Fund Requisition (OSR-2)

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<tbody>
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<tr>
<td>Reason for Withholding</td>
<td>Withheld Reason</td>
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<tr>
<td>Disallowed No. (c)</td>
<td>56</td>
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<tr>
<td>Reason for Disallowing</td>
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<td>Withheld Amount(Rs.) (2)</td>
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<td>Disallowed Amount(Rs.) (3)</td>
<td>547</td>
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<tr>
<td>Settled Amount(Rs.) (4):= (1-2-3)</td>
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<td>Amount Requisitioned(Originally) (6)= (4+5)</td>
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### Adjustment Particular (OSR-2A)

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<th>Amount Withheld (No, Amount)</th>
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<th>Amount Withheld (To be Adjusted Now) (A1)</th>
<th>Disallowed No (To be Adjusted Now) (A2)</th>
<th>Amount Disallowed (To be Adjusted Now) (A2)</th>
<th>Any Other Adjustment Amount (A3)</th>
<th>Reason of Adjustment</th>
<th>Amount Payable / Recoverable (Now) (A1+A2+A3)</th>
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**Total:** 7946
### Subsidy Disbursement (OSR-3)

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### Recovery Particular (OSR-3A)

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### Claim Intimation (OSR-1)

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### Fund Requisition (OSR-2)

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Functions of USOF (Finance)

» **Finance advice** in the implementation of the guidelines laid down by Government for providing Universal Service Support;

» **Suggesting such changes in policy** as may be deemed necessary for implementation of Universal Service Support for efficient & effective utilization of the Fund;

» **Critical role in formulating USOF projects/schemes under the various streams** provided in the Indian Telegraph Rules, 1951, in consultation with telecom service providers and various stakeholders;

» **Designing an intelligent subsidy support model** underlying the scheme/project, for reducing/closing the Viability Gap in provisioning of telecommunication service;

» **Determining desirable subsidy level, structure & disbursement schedule and appropriate pricing of the services** after undertaking a suitable costing & modeling/benchmarking exercise and competitive tendering process;
Functions of USOF (Finance)

» Finance advice in designing the bidding process and in carrying out the tendering;

» Aptly drafting Agreement with necessary incentives & disincentives to ensure the achievement of the deliverables by USP for the concerned scheme;

» Monitoring the implementation of USOF projects/schemes and to disburse subsidy in accordance with the terms & conditions of the respective USOF Agreement;

» Accurate & timely settlement of all claims of subsidy/financial support in respect of USOF schemes via CSM package

» Guiding CCAs in the implementation of the USOF scheme(s) and issuing clarifications w.r.t provisions of the governing USOF agreement via CSM;

» Content management of the USOF Website
Functions of USOF (Finance)

» Carrying out post-implementation review of USOF projects/schemes;

» Financial management, Accounting, Budgeting and Audit of USOF activities;

» Forecasting the requirement of Universal Service Funds for each financial year and obtaining approval of Government through Department of Telecom;

» Ensuring that the prescribed Universal Service Levy is credited to the appropriate Universal Service Fund on a regular basis, as the Fund is a non-lapsable;

» Designing the format of various records and return to be maintained by the USPs.
Cumulative effect of inflows & outflows on USO fund balance as on Q3 2015-16

- Potentially available Fund for USO purpose via Budget appropriation
- Subsidy Disbursed annually for rural/remote telecom connectivity & services provision
- Fund (CFI) Accretion annually via Universal Access Levy collections from TSPs
- Net Balance in non-lapsable USO fund

Fund balance Rs 41834.10 crore

- 6,949 crores reimbursed to BSNL for License Fee & Spectrum
Stream I: Provision of Village Public Telephones & Rural Community Phones
Stream II: Provision of rural household wireline telephones
Stream III: Provision of Mobile telecom services in rural/remote areas
Stream IV: Provision of Broadband Connectivity in rural/remote areas
Stream V: Creation of General telecom infrastructure in rural/remote areas
Stream VI: USOF pilots for assessing the viability & feasibility of new telecom technologies for rural/remote areas
Public account Transfer to USOF on Hq. Authorisation of Requisition by CCA

Parliament appropriates, & MoF allots

MH 8235-118

MH 8670 -Drawings from bank

MH 3275-797

Transfer to USOF on Hq. Authorisation of Requisition by CCA

Debit on Intimation of payment by CCA

X amount disbursed (Credit)

MH 3275-103

X Compensation to USP (Debit by CCAs)

MH 3275-902

X amount minus debit (Contra credit)

MH 1275-OCS

USO levy collections

Consolidated fund of India

Parliament appropriates, & MoF allots

MH 3275-103

X Compensation to USP (Debit by CCAs)

MH 3275-902
The Stages

- Resources for the Fund raised via 5% USO component in LF assessed & collected
- Fund – non-lapsable & for exclusive use
- USOF Policy for US, recent tilt towards community infrastructure ie UA
- 6 Streams/categories of USOF agreements
- Estimate annually & forecast the utilisation & undertake budgeting
- Stakeholder consultation-Desirability
- Technical Consultancy(DPR) – Feasibility
- Financial Consultancy(subsidy modelling) – Viability & ensure compliance of the roll-out obligations
- Tendering or nomination
- Tender/Agreement document preparation for extending subsidy, defining roles & obligations, penal clauses
- issue of NIT, Agreement/contract signing
Subsidy mechanism

• Evaluate the extra costs generated by the constraints of the Universal Service Obligations for the Telecom service provider & finance the ‘Gap’

• Rule 525 of the ITR, which makes explicitly clear that the Financial Support from the Fund shall be provided to meet the Net Cost of providing the specified Universal Service Obligation.

• Rule 523 also defines the phrases-
  o "Capital Cost" means the capital expenditure incurred on providing access
  o "Capital Recovery" means the aggregate of depreciation, interest on debt and return on equity on the capital cost
  o “Net Cost” means Operating expenses plus Capital Recovery minus Revenue; Where support is extended towards Stream III, IV and V, Net Cost shall mean a percentage of Capital Recovery
  o "Operating Expenses" means the annual Operating Cost incurred on operation and maintenance of the specified facilities
  o "Revenue" means the annual charges including usage charge and applicable rental from the specified Service
Critical Role of CCAs

Arms of USOF Hq.
• Contributions to USO fund; levy assessment & collections
• Accurate & timely subsidy settlement
• Finalization of accounts, at the closure of scheme
• Issuing show-cause cum demand notice for o/s recoveries

Ears & eyes of USOF Hq.
• Role in ensuring compliance to ‘deliverables’ of the Agreement
• Subsidy claim verification & post-payment inspection
• Info. on dues, recoveries, claims/payments
• Feedback on Scheme’s performance
Relevant sections of USOF Contract

• General conditions
  o Date of effect
  o Validity of agreement
  o Scope/target eg- VPT with STD, no existing VPT

• Commercial conditions
  o Tariffs, display of information

• Technical conditions
  o BB speed, bandwidth, faults, VPT with solar charging devices

• Financial conditions
  o Subsidy structure & phasing from date of installation- FLS, EAS, procedure of claim processing, deductions for faults, recovery of excess-ascertained based on claim verification, inspections, auditor’s report

• Operating conditions
  o Roll-out schedule, Liquidated damages, Performance Bank Guarantee

• Definitions
Circle wise share in the total subsidy disbursed by USOF

Note: USOF Hq stands for the subsidy payment done centralised to the Universal Service Provider for USO activities in all/some circles.
Rs 15852 crore out of the total USOF subsidy of Rs 21337 crore disbursed to BSNL (79%)

Stream I : Provision of Village Public Telephones & Rural Community Phones
Stream II : Provision of rural household wireline telephones
Stream III : Provision of Mobile telecom services in rural/remote areas
Stream IV : Provision of Broadband Connectivity in rural/remote areas
Stream V : Creation of General telecom infrastructure in rural/remote areas
Universal Service Providers wise share in Total Subsidy disbursed (figure in crore)

- **BSNL**, 15864, 74.35%
- **BBNL**, 3526, 16.52%
- **RIL**, 751, 3.52%
- **TATA**, 724, 3.39%
- **TTML**, 317, 1.49%
- **KEC**, 39, 0.18%
- **GTL**, 37, 0.17%
- **RCIL**, 25, 0.12%
- **VESL**, 18, 0.09%
- **VECL**, 9, 0.04%
- **RAILTEL**, 4, 0.02%
- **REST(TERI QTIL RTL RML ISPL SHYAM BHARTI RCL HFCL)**, 14, 0.07%
- **REST**, 13.36, 0.07%
- **Other**, 156, 0.73%
Variation in Total USO Subsidy disbursed over the years (figure in crore)

Grand Total (Progressive figure 21337 cr.)
Contemporary Relevance

- Number of upcoming schemes – Plan for utilising around 6 thousand crores during the period FY 15-16 to FY 22-23

- Utilisation plan for USOF including annual accruals - entire fund would be put to use for the development of telecom infrastructure & provisioning of ICT services in rural/remote areas of India

- In two pillars of the Digital India campaign- Broadband Highways & Universal Access, USOF has critical role to play

- Rest of the 7 pillars such as e-governance, electronic delivery of services, information for all etc are directly & indirectly dependent on the strength of these two pillars
NOFN Progress (as of 31.1.2016)

<table>
<thead>
<tr>
<th>Activities</th>
<th>FY 2014-15</th>
<th>FY 2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
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<tr>
<td>Pipe Laid</td>
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<tr>
<td>OFC pulled</td>
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<td>2323</td>
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<td>GPs Lit</td>
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<table>
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<th>Activities</th>
<th>FY 2014-15</th>
<th>FY 2015-16</th>
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<tr>
<td></td>
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<td>Q2</td>
</tr>
<tr>
<td>Pipe Laid</td>
<td>25731</td>
<td>14915</td>
</tr>
<tr>
<td>OFC pulled</td>
<td>18658</td>
<td>15280</td>
</tr>
<tr>
<td>GPs Lit</td>
<td>2079</td>
<td>595</td>
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</tbody>
</table>

Pipe Laid: 50088 Kms, 67854 Kms
OFC Pulled: 30825 Kms, 58197 Kms
GPs Lit: 461, 3940
NOFN Phase 1 target & Actual Completion by 31\textsuperscript{st} Jan 2016 (No. of GPs)

<table>
<thead>
<tr>
<th>CPSU</th>
<th>Target (GPs)</th>
<th>Pipe Laid (GPs)</th>
<th>Cable Laid (GPs)</th>
<th>GPs Lit</th>
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<tbody>
<tr>
<td>BSNL</td>
<td>84366</td>
<td>40299</td>
<td>32536</td>
<td>4068</td>
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<tr>
<td>RailTel</td>
<td>8678</td>
<td>3804</td>
<td>2415</td>
<td>232</td>
</tr>
<tr>
<td>PGCIL</td>
<td>7156</td>
<td>4859</td>
<td>3435</td>
<td>101</td>
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<tr>
<td>Total</td>
<td>100200</td>
<td>48962</td>
<td>38386</td>
<td>4401</td>
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</tbody>
</table>

- March 2015 Commitment (GPs)
- GPs for which pipe laid
- GPs for which cable laid
- GPs Lit
Assumptions in subsidy projections

- Universal Access Levy (UAL) rate is currently 5% of the AGR of the Telecom Licensees
- UAL annual collections for FY 14-15 & Cumulative UAL accrual (USO Fund balance) as on FY 14-15 is in actuals
- Estimated increase in Annual UAL accruals during the period FY 15-16 to FY 2024-25 is based on 1% annual compound growth rate assumption. Annual accrual in FY 14-15 was Rs. 7539 cr.
- Committed subsidy outflows is against the on-going USOF schemes and the schemes to be formulated as per Cabinet or TC directions such as RDEL-P, WLBB, New VPT-02, OFC Assam/NE-II/NE-II, LWE, Comprehensive telecom development plan for NER, Sanchar Shakti, submarine OFC connectivity & satellite augmentation in Islands, augmentation of intra-island connectivity in A&N, mobile provisioning in uncovered villages & NHs of A&N, augmentation of mobile connectivity in Lakshadweep, spill-over payments for closed schemes and NOFN. It may be noted that no subsidy support under NOFN assumed from 2016-17 onwards, assuming that BharatNet initiates in FY 2016-17
- Estimated subsidy flows is against the proposed schemes for mobile provisioning in uncovered villages & NHs of the Himalayan States, Western Border States, States with lesser no. of villages and Rest of India (Southern States, LWE areas)
- All accruals, committed & estimated disbursement figures are tentative with the averaging/extrapolation done over the period up-to 2024-25.
## Subsidy Projections except for BharatNet – Rs 85000 crore

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Year</th>
<th>Annual UAL accrual</th>
<th>Annual Accrual rate</th>
<th>Out flow/ disbursement</th>
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</thead>
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<td></td>
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<td>1%</td>
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<tr>
<td>1</td>
<td>2015-16</td>
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<td>-</td>
<td>-</td>
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<td>Total</td>
<td>78467</td>
<td>21282</td>
<td>33957</td>
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Thank you