Salient Features of FTTH Policy

1. BSNL has formulated FTTH open Policy based on revenue share for giving Telecom Services on FTTH. Large number of local franchise / Builder / RWA/Telecom Infra provider/Cable Operators as FTTH channel partner, have been engaged by BSNL telecom Circles under this policy. The salient features of this policy are as under:

1.1 The different FTTH Business Model Cases available to FTTH Channel partner are:

FTTH Business Model Case	**Revenue Share to FTTH Channel Partners**
IIIA	30%
IVA	Up to 50%
V	Up to 10%
IVA BBNL	Up to 50%, less with BBNL Charges for its infrastructure use

1.2 The Roles and Responsibility of BSNL and FTTH Channel partner in different case models:

Roles and Responsibility of FTTH Channel partner
CASE-IIIA
1. Laying and maintenance of OFC back haul from nearest BSNL pick up point for c onnectivity to OLT location. 2. To build / extend the OFC network inside the residential / commercial complex a nd interconnection of building through OFC within premises. 3. To lay the wiring of OFC cable inside the building up to inside the flat / shop and laying of connecting OFC cable network in whole premises / complex connecting va rious buildings / towers from the BSNL telecom Network point (BSNL control room) . 4. To supply and maintain the compatible ONTs to the Customers. 5. To provide a interconnectivity at the Network operation center (NOC) buildup by the builder / RWA / Telecom infrastructure provider. 6. To provide the space / room to BSNL on rent, for setting up of control room insi de the residential / commercial complex for housing the essential telecom equipme nt of BSNL with provisions of Air-conditioning and electricity availability and to prov ide maintenance support of space/room given on rent.. 8. To provide the maintenance support of space / room given on rent. 9. Sales and promotion of Bharat Fiber (FTTH)Services

CASE-IVA

1. Laying and maintenance of overhead OFC back haul up to OLT Location from nearest BSNL pick up point

2. To build / extend the OFC network inside the residential / commercial complex and interconnection of building through OFC within premises.

3. To do the wiring of OFC cable inside the building up to inside the flat / shop and laying of connecting OFC cable network in whole premises / complex connecting various buildings / towers to the OLT

4. To provide an interconnectivity at the Network operation center (NOC) buildup by the builder / RWA / Telecom infrastructure provider.

5. To provide the maintenance support to OFC laid / build by the builder / RWA / infrastructure provider.

6. Builders/RWA/TIPs shall be responsible for supply, deploy, own, operate and maintain the OLTs, ONTs and splitters.

8. Builders/RWA/TIPs shall be responsible for supply, deploy, own, operate and maintain all the telecom network infrastructure from BSNL pick up point to customer premises.

9. Space, power and air-conditioning shall also be arranged by Builders/RWA/TIPs for installation of OLTs.

10. The compatible ONTs shall be supplied by Builders/RWA/TIPs to the customer directly.

11. Cost towards this shall not be considered for revenue sharing purpose. Any further post sale obligation in respect of OLTs & ONTs shall rest with Builders/RWA/TIPsand not with BSNL

12. Sales and Promotion of Bharat Fiber Services.

CASE-V (Maintenance model)

1. Complete responsibility of maintenance beyond BSNL OLT (Excluding UG OFC but including overhead OFC (2F/4F)) along with material supply shall be the responsibility of the Partner.

2. Channel partner is responsible for repair / replace faulty ONT /2F &4F cable/ splitters/ Joint enclosures. Partner can also arrange ONT for customer on outright purchase by customer or on rental basis.

Case-IVA BBNL

1. All responsibilities, terms and conditions are same as of case-IVA.

2. All the charges payable for using BBNL infrastructure to BBNL, shall be deducted from FTTH Channel partner revenue share (50:50).

2. **3rd party OLT conformity and Use restriction:**

i. All the FTTH Channel partners who are installing their OLTs should ensure that the newly installed OLT must be reachable from the NMS server and necessary SNMP capabilities are enabled so that the uplink traffic statistics to the BSNL network can be monitored from centralized NMS server.

ii. 3rd party OLT may be utilized for providing the other ISP services only in the areas of multi-storey buildings and Gated societies. In all such cases the security guidelines issued by BBNW Circle letter No BSNL/BBNW/BG/P3/FTTH/19 dtd 21-10-2017 shall be followed

3. **Use of BSNL Building:** The FTTH Channel partner of model IVA can install the OLT in the BSNL premises with charges of Per OLT as below -

i. One Time charges from business model IVA partners for installation of their OLT at BSNL premises - Rs. 5000 (In advance & Nonrefundable). However CGMs is authorized to waive off this charge as per the market condition for B & C category Circles.

ii. Annual charge for use of BSNL infrastructure - Rs.20, 000 per annum (in advance yearly or @ Rs. 5000 Quarterly) with annual incremental of 10%. In other cities (except A,A1 and all type B) Rs.10,000 per annum (in advance yearly or @ Rs. 2500 Quarterly) with annual incremental of 10% for encouragement of TIP/RWA/Builder/MSO for FTTH Service

iii. The above annual charges can be waived off or discounted in following conditions:

    a. 100% waive off: If realized revenue share to BSNL is more than Four Lakhs in a year after deducting all applicable taxes.
    b. 75% waive off: If realized revenue share to BSNL is more than Three Lakhs in a year after deducting all applicable taxes.
    c. 50% waive off: If realized revenue share to BSNL is more than Two Lakhs in a year after deducting all applicable taxes.
    d. 25% waive off: If realized revenue share to BSNL is more than One Lakh in a year after deducting all applicable taxes.

Note: The waiver will be applied for a particular vender with overall average revenue share to BSNL per OLT, if multiple OLTs are installed by the Vender in same city.

iv. The security deposit shall be one year infrastructure charges applicable for the city (Rs. 20,000/ Rs.10, 000 as per cities). CGMs are authorized to waive off this charge as per the market condition.

v. Minimum period for hiring of infrastructure shall be one year.

vi. The above charges shall be exclusive of applicable taxes.

4. **Facility to channel partner as incentive:**

a. One rent free connection of VPNoBB (with lowest plan available in circle) is provided to TIPs/RWAs/Builders for monitoring purpose of OLTs. For this facility, FTTH Channel partner must have provided minimum hundred connections.

b. One free demo FTTH connection in FTTH plan of FMC free FTTH plan of FMC Rs.777 is provided for first month for demonstration in the targeted areas where new OLTs have been installed by TIPs/RWAs/Builders. This period may be extended by concerned CGM for one month also in some special circumstances based on the analysis of expected growth of FTTH connections in that area.

c. One free connection in FTTH plan of free FTTH plan of FMC Rs.777 is provided to each channel partner (TIP/RWA/Builder) in his office as an incentive, he maintains minimum 50 FTTH active connections.

5. **Provisioning of Lease Circuits (LC) by FTTH Channel partner:**

FTTH Channel partners are already providing FTTH connections and have laid infrastructure consisting of OLT, 2F/4F OFC and splitters. Using this infrastructure leased line provisioning & maintenance is an additional business opportunity to the FTTH Channel partners. Accordingly the FTTH Channel partners are allowed for provisioning and maintenance of Lease circuits (LC) (includes LC using MPLS/ ILL/ P2P) as per the following additional terms and conditions for provisioning and maintenance leased circuits / leased lines through FTTH Channel partners.

i. FTTH Channel partner under the **Case-IIA / Case-III A / Case-IVA / Case-V** model only shall be eligible for provisioning and maintenance of leased circuits (on Optical Fiber) on revenue share.
ii. ONT/ MEDIA Convertor required at customer end shall be provided by BSNL for provisioning of LC.
iii. The revenue share for LC of initial 500 meters and for more than 500 meters distance for different case models shall be applicable as per the below table:

SN	LC Bandwidth	Fixed Monthly Revenue Share for LC upto 500 Mtr distance. (Rates in Rs)		Monthly Revenue Share for LC of more than 500 Mtr distance. (N= total local lead length in meters from BSNL pick up point to customer end, I=incremental length beyond 500 meters in Mtrs. (Rates in Rs)	
		Case-IIA/IIIA/IVA	Case-V	Case-IIA/IIIA/IVA	Case-V
A	B	C	D	E=(C+0.69*I)	F=(D/500)*N
1	Up to 50 Mbps	600	300	600+0.69I	0.6*N
2	51 Mbps to 100 Mbps	1000	300	1000+0.69I	0.6*N
3	101Mbps to 499 Mbps	2000	300	2000+0.69*I	0.6*N
4	500Mbps to 999 Mbps	3000	300	3000+0.69*I	0.6*N
5	1 Gbps and above	4000	300	4000+0.69*I	0.6*N

For example:

a. **Case-IIA/IIIA/IVA :** Distance measured through OTDR for a LC of BW 10 mbps is 540 mtrs , the monthly payable amount to FTTH channel partner shall be Rs 627/- (600+0.69*40) ; here I=40) similarly for 457 mtr, the payable amount shall be Rs 600/-.

b. **Case-V:** For distance 480 Mtr the payable amount shall be Rs 300/- and for 540 meter distance the amount payable shall be Rs 324/- (0.6*540).

5.1 The revenue share for case-V model shall also include the cost of replacement of any aerial OFC becoming faulty / damaged due to any reason if any. These rates of revenue share shall also applicable to FTTH channel partners providing and maintaining only last mile connectivity through Overhead (OH) OFC for providing LCs for Enterprise Business Customers of BSNL.

5.2 The monthly revenue share mentioned includes charges for repair & maintenance of ONT/ MEDIA CONVERTER supplied to EB customers. FTTH Channel partner shall be responsible for repair & maintenance of ONT/ MEDIA CONVERTER at customer premises. Repair & maintenance shall include repair/ replacement of AC adopter and repair of ONT/ MEDIA CONVERTER. However, ONT/ MEDIA CONVERTER shall be replaced by BSNL in case of burnt and repair not possible (RNP) cases. RNP cases shall not be more than 10% of total ONT/ MEDIA CONVERTER (minimum 1 unit or rounded off to nearest integer, whichever is higher) supplied to EB customers through the concerned FTTH franchisee in the SSA. The decision of BA head of BSNL on burnt and RNP cases of ONT/ MEDIA CONVERTER shall be final & binding on the FTTH franchisee.

5.3 FTTH Channel Partner shall be encouraged to provide the LC through the BSNL OLT. In case of LC non-feasible on BSNL OLT, Network Manageability of LC has to be ensured by field officer through NOC BBNW, by ensuring partner's OLT access through EMS or NMS before allowing the LC provisioning through FTTH Channel Partner OLT. It shall also be ensured that make of ONT and OLT is same for LC provisioned through FTTH Channel Partner OLT for the ONT visibility through EMS/NMS. The ONT/ MEDIA CONVERTER to customer for LC provided under this arrangement shall continue be on rent / outright purchase through BSNL as per the agreement signed with EB customer.

5.4 LC cases of distance beyond 500 mtr from BSNL OFC pick up point to ONT/MEDIA CONVERTER/CPE in customer premises shall be verified by the BSNL field officers for allowing the additional revenue to FTTH channel partner. In case LC is provisioned through FTTH Channel partner OLT, LC cases of distance beyond 500 mtr distance from BSNL OFC pick up point to ONT/ MEDIA CONVERTER/ CPE in customer premises would be verified by the BSNL field officers for calculating the additional revenue to FTTH channel partner. The distance shall be measured by OTDR from BSNL OFC pickup point to ONT in customer premises.

5.5 These rates given in table of para 3 shall also be applicable for provisioning and maintenance of the all types of Lease circuits (includes LC using MPLS/ ILL/ P2P), VPNoFTTH, SIP Trunking and ISDN PRI by FTTH Channel partner.

5.6 **SLA for last mile for LC/ VPNoFTTH /SIP Trunking / ISDN PRIprovisioned and maintained by FTTH Channel Partners :**

a. Fault in ONT and OH/ in building OFC laid/ maintained by FTTH Channel partner shall be attended within 4 hrs in urban areas.

b. Fault in ONT and OH/ in building OFC laid/ maintained by FTTH Channel partner shall be attended within 6 hrs in rural areas.

c. Fault reported after 17:00 hrs shall be attended next day, and SLA time will be counted from 9:00 hrs.

d. Penalty for not meeting SLA conditions: A per hour Penalty @ 1% of monthly revenue share to FTTH Channel partner shall be levied, subject to maximum of 15% of monthly revenue share to FTTH Channel partner. SSA shall calculate penalty for not meeting SLA per LC basis. Decision of BA head shall be final & binding on the FTTH Channel Partner. ITPC shall implement penalty calculation in CDR/FMS.

e. If FTTH Channel partner fails to achieve SLA conditions & reaches penalty ceiling of 15% for three consecutive months reaches, then BA head shall review provisioning/ maintenance of the concerned LC by FTTH Channel Partner and shall take necessary action as deemed fit in consultation with EB unit of SSA/ Circle, considering resultant penalties to be paid by BSNL to EB customers for not meeting SLA conditions with EB customer.

f. The provisioning and maintenance of LC/ VPNoFTTH /SIP Trunking / ISDN PRI by FTTH Channel partner shall be done in consultation with EB unit of BA/ Circle. EB unit of BA/ Circle shall consider revenue received from EB customer and business obligations under SLA and performance of the FTTH channel partner and after weighing the pros and cons of getting work done through FTTH Channel partner Vis a vis SIs of EB verticals while deciding on provisioning of LC/ VPNoFTTH /SIP Trunking / ISDN PRI by FTTH Channel partner on case to case basis.

6. **Transfer of business** for new and working FTTH connections along with existing 3rd party OLTs from one Builders/ RWAs/TIP to other Builders/ RWAs/TIP is allowed under the following conditions:
   i. No legal issue arises and proper agreement is signed between the two Builders/ RWAs/TIP.
   ii. No liability exists on BSNL because of business transfer to new Builders/ RWAs/TIP.
   iii. Performance of new TIP may be ensured before transfer of work.
   iv. No labour issues / liability as per the existing labour law remain pending before the exit of Builders/ RWAs/TIP.
   v. BSNL may negotiate with new Builders/ RWAs/TIP for further bring down the revenue % share

7. **Period of agreement**: Initial agreement period shall be for 05 years for all newly on boarded FTTH channel partners. Further the agreement shall be renewed thereafter for further term of 5 years based on modified terms and conditions applicable at the time.

8. **Termination – the agreement shall be terminated by giving a one months' notice to the FTTH Partner**
   i. Failure to Commission the equipment and /or execution of the work at all by the FTTH Partner within 3 months from signing of agreement.
   ii. Failure to perform any other obligation(s) under the Contract; and
   iii. Equipment does not perform satisfactory in the field in accordance with the specifications.
   iv. Failure to meet the SLAs parameters continuously for 3 months.
   v. The agreement may also be terminated by mutual, written consent of the both parties by giving 3 months' notice.

   In all above cases of agreement termination, the last mile access network laid by FTTH Channel partner including the ONT and splitter shall be made over to BSNL at no cost to BSNL, except for multi-storey buildings and gated communities where infra is common to multiple ISPs.

   Note: These are the salient features of the FTTH policy. For signing the agreement and to know further details and availability of business opportunity in a particular area, please get in touch with concern Circle Office /BA head.