

Press Information Bureau
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Press Statement of Shri Kapil Sibal on National Optical Fibre Network

Following is the text of the press statement of Shri Kapil Sibal, Minister of Communication and Information Technology on National Optical Fibre Network issued in a press conference here today.

“The Scheme for creation of National Optical Fiber Network (NOFN) for providing Broadband connectivity to Panchayats has been recommended by Telecom Commission at its meeting held today. The salient features of this scheme as recommended by the telecom commission are outlined below

“The objective of the scheme is to extend initially the existing optical fiber network which extends upto districts HQ’s/Block HQ’s level upto the Gram Panchayat level by utilizing Universal Service Obligation Fund (USOF) .The cost of the initial phase of the NOFN scheme is likely to be in the region of RS 20,000 crore. Similar amount of investment is likely to be made by private sector complementing the NOFN infrastructure while providing services to individual users. Following the recommendation of the TC, the proposal will be placed before the Union Cabinet for approval .

“A High Level Committee (HLC) to steer and coordinate all activities related to the creation and implementation of NOFN was earlier constituted by DOT on 26th April 2011 under the Co-Chairmanship of Shri Sam Pitroda, Adviser to PM on Public Information, Infrastructure and Innovation and Shri Nandan Nilekani, Chairman, UIDAI. The HLC has already held 3 meetings and has initiated steps to put the implementation on a fast track. A Special Purpose Vehicle (SPV) will assume the responsibility for execution of the project after approval of the scheme by the cabinet.The SPV will be finally owned by the Government/USOF.The BSNL has been entrusted with the task of undertaking the preparatory activity for project execution and establishment of the SPV

“An advisory body to advise on implementation issues and upstream & downstream integration as well as on issues relating to non discriminatory access of NOFN to service providers had also been setup earlier under the Chairmanship of Minister of Communications and IT on 26th April 2011 by DOT .The advisory body includes the representatives from TSP’s and the private sector.

“In economic terms, the benefits from the scheme are expected through additional employment, e-education, e-health, e-agriculture etc. and reduction in migration of rural population to urban areas. As per a study conducted by World Bank, with every 10% increase in broadband penetration, there is an increase in GDP growth by 1.4%. It will also facilitate the Government to implement its various e-governance initiatives such as e-health, e-banking, e-education etc. thereby facilitating inclusive growth. It will also provide a network for electronic delivery of services to citizens apart from enabling various services to citizen services. The proposed NOFN will enable effective and faster implementation of various mission mode e-governance projects amounting to approx Rs 50,000 cr. initiated by Department of Information Technology as well as delivery of a whole range of electronic services in the above areas by the private sector to citizen in rural areas.”

SP/ska