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No. AIBSNLEA/CHQ/MOSC/2018

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To,

Shri Manoj Sinha, Hon'ble MOS (C) (I/C), Govt of India New Delhi -110 001

Subject: Policy support and suitable compensation to BSNL in lieu of NOFN (BharatNet) and other Govt. project works being executed by BSNL –

Hon'ble Sir,

BSNL is a CPSE in telecom sector formed to take over the service providing function of DoT on pan India basis except Delhi and Mumbai. In present scenario of telecom, there is a stiff competition from a large number of private players of the industry. BSNL is playing a role of tariff balancer so as to ensure availability of reliable and affordable Telecom service to the masses.

Being a CPSE, it is fulfilling the obligations of the Government by providing services in such areas also where the private players do not offer services because of absence of profit. The infrastructure cost in providing services in high terrains and Left Wing Extremists area etc. are much more and does not make business sense.

Since past 2-3 years, it is evident that BSNL is the executing body of all the major flagship programs of Government such as NOFN, NFS, LWE project etc., despite of cut throat market condition and stressful financial conditions. BSNL is performing all duties whichever handed over to it by government.

In reality BSNL is doing all these work without much compensation, instead incurring huge losses. Its resources, manpower, OF cables, equipments, everything is utilized more to implement these works especially NOFN work, which has effecting the operations of its own Telecomm operations as well as Capital projects for expansion. The projects related to transmission and backbone network are almost stopped after the initiation of NOFN work.

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BSNL management's full attention is diverted to these projects from the core Telecom business of its own and most of its time is being spent in reporting to DOT and other Ministries. Particularly in NOFN projects, BSNL Board Directors as well as CGMs and SSA heads are paying maximum man hours towards focusing on the NOFN work only rather than operations and maintenance of BSNL network. Progress of capital projects are now nowhere in priority.

In reality, BSNL's resources including more than 25% of the Executives are directly or indirectly involved in NOFN work and other Govt. projects, but in return BSNL is not getting the suitable funds which are committed at time of singing of MOU and award of work. Therefore the funds which are meant for utilization of BSNL OPEX and CAPEX are being used for NOFN work. This is seriously affecting the quality of BSNL services and its expansion plan and further eroding its market position as well as the financial health.

Following immediate measures are required from DOT:

- Immediate payment of Admin/Establishment costs to BSNL as per the original MOU with DOT& BBNW for the work already done and under progress (about 17-18% of project cost) and it should be enhanced as per current inflation.
- Immediate payment of Service Charges (10% of project cost) to BSNL as per the original MOU with DOT& BBNW for the work already done and under progress.
- Divert the tendering work from BSNL to BBNL as early as possible and only
 execution on the part of BSNL as per original agreement and device a digital
 Monitoring system like ERP of BSNL for the payments & expenditure of the
 projects NOFN, NFS and other Government Projects.
- If required, depute BSNL employees to BBNL for this work and their salary can be directly paid by BBNL.
- Allocate 4G spectrum in the 700 MHz band along with the proposal of BSNL Board free of cost as a policy & financial support measure.

In view of the above, we would therefore request your kind honor to kindly intervene in the matter and direct DOT to compensate BSNL by implementing the MOU in true sense and provide other policy support in the interest of BSNL's viability.

With kind regards,

Yours Sincerely

(PRAHLAD RAI) General Secretary

Copy to:

- 1. Smt. Aruna Sunderarajan, Secretary (T), DoT, Govt. of India, New Delhi.
- 2. Shri Anupam Shrivastava, CMD, BSNL New Delhi