

NATIONAL CONVENTION
OF BSNL EMPLOYEES “ON REVIVAL OF BSNL”

3RD AUGUST 2013

MAVLANKAR HALL, NEW DELHI.

DECLARATION

This National Convention of BSNL Employees held on 3rd August 2013 at Mavlankar Hall, New Delhi, participated by BSNL employees from all over India, representing the 2.5 lakh employees expresses its deep concern and anxiety about the continued loss of BSNL for the last four financial years and the reduction in its market share. The slow growth rate is mainly due to lack of expansion and developmental activities, non-procurement of required equipment etc. which continue despite sustained demands raised by the employees and their unions for improvement of the services.

Bharat Sanchar Nigam Limited (BSNL) was formed as a Public Sector Unit (PSU) on 1st October 2000 from the Department of Telecom, Department of Telecom Services and Department of Telecom Operations ignoring the protest of the employees and their unions. The Overseas Communications and the telecom services in Delhi & Mumbai were corporatized earlier as Videsh Sanchar Nigam Limited (VSNL) and Mahanagar Telephones Nigam Limited (MTNL) respectively. The entire service sector of the department, which has been serving the nation in a very efficient way for more than one century, was converted in to three Public Sector Units. All the executive and non-executive employees were compelled to exercise option for the PSUs, while the top management, ITS officers, were given 5 years on deputation to submit their option.

Five years earlier, in 1995, the telecom sector, which was completely under the government, was opened up for the private sector as per the National Telecom Policy 1995. This was part of the new economic and liberal policies of the government initiated in the early 1990s which intended to shift many activities of government to the private sector. Corporatisation is the first step towards privatisation as has already been seen in the case of VSNL, which has been handed over to Tatas and is now a private company by name Tata Telecommunications. More than 46% shares of MTNL stand disinvested.

Government goes back from its financial commitments.

At the time of corporatisation to BSNL, the government had assured its financial viability through Reimbursement of Licence Fee, Payment of Access Deficit Charge (ADC) collected from the private telecom companies and grant from Universal Service Obligation Fund (USOF) for providing services in remote and local areas which are loss-making, but are part of the social commitment of the government for providing universal communication services, where the private companies seldom operate.

While the government implemented the above decisions for a few years, it has gone back from its commitments and discontinued all these financial assistance to BSNL arbitrarily. The reimbursement of licence fee and ADC has been stopped completely and the assistance from USO Fund reduced.

Unfair and Discriminatory Treatment to BSNL.

From the time the private companies were granted licences to provide telecom services, they were favoured by the government and the DOT / MTNL /BSNL discriminated. The licences to provide mobile services were granted to private companies in 1995, while DOT (BSNL was formed later) and MTNL were denied the same till 2002, 6-7 years after, giving undue advantage to the former. The fixed amount for licence to private telcos which could have fetched around 1.25 lakh crore to the government was changed in to revenue sharing by which the government lost a very huge amount. The CAG has calculated the loss to the government at Rs. 1.76 lakh crore in the 2G spectrum auction, the beneficiaries of which were the various private companies. BSNL was compelled to pay Rs. 18,500 crore towards 3G and BWA Spectrum for pan India without allowing it to participate in the bids. But the private companies managed to provide all India services by paying about one third of the sum paid by BSNL, by illegally sharing the spectrum between them, while each bid only for a few circles. BSNL had to pay more, but was allotted spectrum which could not meet the future requirements for new technology, and private companies paid less and got spectrum suited to next generations.

In short, on each and every occasion private companies were favoured and its own company discriminated by government. The interests of the private telecom companies became more important to the government.

Procurement of Equipment.

Despite the fact that mobile licence was granted to BSNL 6-7 years after it was granted to private companies, BSNL was gaining in the number of connections and was almost going to reach the first position by 2006-2007. A tender for 45.5 million mobile lines was floated and was going to be finalised when the government made BSNL Board to cancel the same. Another tender for 93 million lines was cancelled in the same way two years later. Had these tenders were finalised and equipment purchased, BSNL would have forged ahead in the mobile sector. BSNL is even now leading in both landlines and Broad Band connections. It was only through the one day successful strike of the employees that at least half of the first tender i.e. 22.5 million lines were purchased which saved the situation to a certain extent.

There is acute shortage of equipment like mobile lines, phone instruments, cables, drop-wire, Optical Fibre Cables, Broad Band Modem, Jointing kits etc. which are hampering the services and fault repair. Though some purchases have been made in the last year, they are too insufficient to meet the requirement.

Killing the goose which lays golden eggs.

BSNL was having an average revenue of Rs. 35,000 – 40,000 crore till 2007-2008 and a profit of about Rs. 5,000- 10,000 crore per year. Due to government decision to go back from its earlier commitment on financial assistance, lack of equipment and also cut-throat competition, the revenue came down to Rs. 30,000 – 27,000 crores and also posting loss for the last 4 financial years. The loss in 2011 – 12 was Rs. 8,851 crores and in 2012-13, it may almost be the same. BSNL was having a cash balance of about Rs. 40,000 crore, all of which was taken back by the government through charges towards spectrum, an imaginary loan of Rs. 7,500 crore and its interest calculated at a high rate of 14.5% coming to about Rs. 12,000 crore, taxes, dividend etc.

The Inefficient Management.

BSNL Management is also fully responsible for the present unfavourable and unenviable position of BSNL. The fact that most of the top management officers (ITS Officers) do not belong to BSNL, but are on deputation from government and do not have much stake in the company, has

played a negative role in the growth and expansion of the company. BSNL needs committed and efficient management.

The role of the employees and unions.

The employees and their unions/associations had continuously raised issues concerning the development and expansion of the services. Much more is to be done to improve the services. The mind-set of the employees needs to be further improved to face the present challenges and for ensuring a better service to the customers. They should always remember that they are important stake-holders of the company and at the service of the nation and its people.

The Forum of BSNL Unions / Associations has been mobilising the workers, approaching the BSNL Management and the government for necessary actions and decisions so that the BSNL, the telecom PSU, is strengthened and expanded and a better service is provided to the nation. Telecom is the second line of defence and concerns of national security have also to be considered.

GoM for Revival of BSNL and MTNL.

A Group of Ministers (GoM) for revival of BSNL and MTNL has now been formed by the Government with Shri P.Chidambaram, Finance Minister, as Chairman. The Forum of BSNL Unions/ Associations has submitted a detailed memorandum to the Chairman, GoM, with positive suggestions for the improvement and strengthening of BSNL with a request for personal hearing. These suggestions, if accepted, will certainly make BSNL financially viable and improve the services.

This National Convention of BSNL Employees organised under the banner of the Forum of BSNL Unions and Associations which represents the more than 2.5 lakh employees places the following demands / suggestions before the government, the BSNL Management and workers for Revival of BSNL and for a Better Service to the Nation:

- 1. The Government should honour and implement the assurances given at the time of formation of BSNL for financial viability like Reimbursement of Licence Fee, Payment of ADC to BSNL and Liberal subsidy from the USO Fund for compensating the losses for providing services in villages, remote / rural / naxal affected areas etc.**
- 2. The Spectrum should be allotted free to BSNL, which is the incumbent service provider and Government Company, including the additional spectrum with BSNL.**
- 3. The Rs. 18,500 crore charges for BWA and 3G Spectrum collected from BSNL should be refunded.**
- 4. Orders should be issued making it mandatory for all Central/State Government departments, Central/State PSUs to take telecom services from BSNL/MTNL as have been issued for air-travel by another central PSU, Air India. This will help in dealing with security concerns also.**
- 5. Refund BSNL the huge interest of about Rs. 12,000 crore recovered from BSNL @ 14.5% for the Notional loan of Rs. 7,500 crore.**
- 6. Transfer the assets and land to BSNL from the government for which BSNL is paying taxes and other charges.**
- 7. An effective and quick mechanism and immediate procurement of equipment like Mobile lines, Broadband Modem, Cables, Drop Wires, Optical Fibre, Telephone Instruments etc. so that expansion and Development could be implemented quickly.**

8. The Pension Contribution to be remitted to the government should be on the basis of actual pay and not on the basis of the maximum of the pay scale, by which the company is losing huge money.
9. BSNL should be exempted from payment to USO Fund, considering the fact that the financial condition of the BSNL is weak.
10. The Management of the company should belong to the company and not to deputed officers.
11. Telecom Factories should be modernised. In addition to towers, other equipment required for telecom services should be manufactured. It should be made mandatory for the field offices to purchase the equipment from telecom factories.
12. Effective functioning of the Works Committees at the SSA level so that discussion could take place between the unions/associations and management for expanding and improving the services. This should be extended to Circle and All India levels.
13. No VRS/Retrenchment in BSNL, which will have negative impact on the services as has already been the experience wherever it has been implemented.
14. No Disinvestment / Privatisation of BSNL
15. No Increase of FDI in Telecom Sector. In addition to the security concerns, increase in FDI will affect BSNL adversely, with huge funds available with the private companies.
16. Abolition of the Telecom Advisory Committees, which have been formed when only DOT was providing services, and which has got no relevance now except unnecessary expenditure.
17. Active and committed participation of the employees in marketing and other developmental activities.

Programme of Action - Organise Circle, SSA Conventions.

This National Convention of BSNL employees calls upon the BSNL unions/associations to organise similar conventions at Circle and SSA levels to give wide propaganda to our demands, to educate the employees, to seek the support of the people for strengthening BSNL and enabling it to provide a better service.

This National Convention feels that maximum efforts should be made to understand the requirement of the customers and provide them the same efficiently and effectively keeping very good cordial relationship. .

The Forum of BSNL Unions/Associations assures the employees that it will make all out efforts to fight against the anti-BSNL policies and action of the government and also for a better future for the employees through saving and strengthening BSNL and its services.

FORUM OF BSNL UNIONS / ASSOCIATIONS