

JOINT FORUM OF BSNL & MTNL **UNIONS / ASSOCIATIONS**

Memorandum Submitted to Thiru. A. Raja, Hon'ble Minister of **Communications & IT, Govt. of India, New Delhi**

Respected sir,

On behalf of the 3,60,000 non-executives and executives of BSNL and MTNL, we heartily welcome you on your assumption as the Minister of Communications & IT, Government of India. We hope that under your leadership the Telecom services and especially the two Telecom PSUs will develop, expand and further improve their services to the people of this great country.

We want to bring to your notice with great concern a matter of life and death for the Telecom PSUs, especially for BSNL, at this juncture. You may be well aware about the tragic state of affairs of the tendering process for 45.5 GSM lines by the BSNL and the concern of the employees and officers exhibited by the thousands of telegrams sent to the Hon'ble Prime Minister and to the Minister of Communications & IT. It is almost two years since the process has started with much fanfare stating that this is the biggest telecom global tender so far. Hurdles and delay were at each and every stage as the following process will show:

- * **31st Aug' 05** - Board of Directors decided to tender for 60million GSM lines with order in two phases.
- * **5th Oct' 05** - Committee was formed for preparation of the tender document.
- * **31st Jan' 06** - BSNL Board decided to get the tender document vetted by a team of independent experts.
- * **22nd Mar' 06** - Tender was floated by BSNL for a capacity of 45.5 M Tender
- * **12th June' 06**- Bids submitted by five vendors M/s Ericsson, M/s Motorola, M/s Nokia, M/s Siemens & M/s ZTE
- * **9th Oct' 06** - Opening of Financial bids of three Techno-commercially successful Bidders - M/s Ericsson, M/s Nokia & M/s Siemens. On the same day, M/s Motorola approached Delhi high Court against their disqualification.
- * **16th April' 07**- Case against BSNL was withdrawn by M/s. Motorola.
- * **25/26th April' 07**- Committee for Evaluation of Tender (CET) submitted report to BSNL Management.
- * **12th May 07** - BSNL Board approved the CET report. At the same time, APO was ready for release.

Even after the court case was withdrawn about three months back, the orders are not yet issued causing loss of thousands of crores of rupees to BSNL.

A perusal of the following will show how much loss BSNL has already suffered and will further suffer if the orders are not issued immediately and supply received.

Estimated Loss due to delay

60 Million Capacity (45.5M Tender+ 14.5M Reserve quota to ITI) meant to be utilized within 3 years (36Months). It means 60 divided by 36 is equal to 1.67 Million cellular subscribers per month to be added in BSNL's network. It is quite feasible as BSNL added more than 1 Million in the month of March 2007.

Delay to the tune of 2 months is already caused. The subscribers will not wait for BSNL but will take connection from competitors causing permanent revenue loss to BSNL.

ARPU of BSNL's cellular subscriber during last quarter was about Rs 328/-.

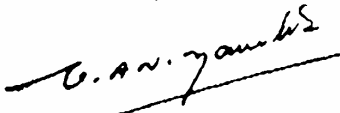
The loss of revenue due to delay of 2 months alone comes to the tune of Rs.110 Crores (1.66 Million subscribers x 2months x ARPU Rs.328/-).


If tender is cancelled, it will take about 12 months again causing irreparable loss & death of BSNL.


In short, if the purchasing orders are not placed immediately, a recurring monthly loss of Rs 55 crores will be there and by the time any new tender is finalized it may be a loss of more than Rs 7,000 crores, discredit to Government, and almost extinction of BSNL from Telecom sector.

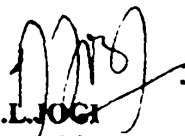
We once again request the Hon'ble Minister to immediately intervene and take necessary action on the above and resolve the crisis at the earliest. If a unilateral decision is taken to cancel the tender by the Government, the workers will be compelled to go on direct action to save BSNL, MTNL and the telecom services in the country.


Yours Faithfully,



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Copy to: **Dr. Manmohan Singh**
Hon'ble Prime Minister
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