

# **FORUM OF BSNL UNIONS / ASSOCIATIONS**

**D-7, TELEGRAPH PLACE, GOLE MARKET, NEW DELHI – 110001**

Forum / GL

26-05-2014

To

**Shri Ravi Shankar Prasad,  
Hon'ble Minister for Communications & IT,  
Sanchar Bhawan, 20, Ashoka Road,  
New Delhi – 110001**

**Respected Sir,**

Heartly Congratulations and Best Wishes to you on your assumption as the Minister of Communications from the Forum of BSNL Unions and Associations, representing the more than 2,50,000 non-Executives and Executives working in the PSU Telecom Company, BSNL ! We warmly welcome you in your new post.

We are fully aware that you will be extremely busy in your new assignment. But still we feel that it will be only appropriate that we bring to your kind notice some of the important issues faced by BSNL, a fully government owned company, which is facing serious crisis in growth and in providing a better service to the people. We seek your full support and initiative to strengthen and Revive BSNL and to improve its service to the nation.

## **1. Honouring of assurances given to BSNL at the time of its formation in 2000.**

The NDA Government assured at the time of formation of BSNL in October 2000 that in order to provide Telecom services on reduced rental in the rural areas of the country, the BSNL's deficits will be compensated by paying Access Deficit Charge (ADC) collected from the private telecom operators. It was also stated that though BSNL has to pay the license fee to government, it will be reimbursed. Another assurance was that funds will be provided from USO Fund to compensate the loss in providing service to the rural and remote areas which are loss making but essential to implement the government policy of providing universal service.

After a few years, the UPA government has stopped all these financial assistance, except USO Fund, but which is only a token amount. We request that the assurances given at the time of formation of BSNL be honoured and continued to be implemented. In lieu of ADC, which has been discontinued in July - 2011, an amount of Rs. 1,500 crore for 2011 – 12 and Rs. 1,250 crore for 2012-13 was recommended by TRAI and allotted by DOT from USO Fund. While the former amount has been paid, the amount, Rs. 1,250 crore is yet to be paid. This may be paid early.

## **2. Provide Financial Assistance to BSNL**

BSNL is in a financial crisis at present with an accumulated loss of more than Rs. 25,000 crore for the last four years. It requires fund for development and expansion. The loss has been due to the continuous loss in revenue from the earlier Rs. 40,000 crores to about Rs. 26,000 crore this year. Sufficient equipments have to be purchased for expansion, for which capital is necessary.

## **3. Refund of Spectrum Charges paid by BSNL to government**

More than Rs. 18,500 crores have been paid by BSNL to the Government towards 3G and BWA spectrum charges for providing pan India services. But at the same time the private companies are allowed to provide pan India services even with license in a few circles, the amount for which comes to less than one third of the spectrum charges paid by BSNL. While BSNL was not allowed to bid in the auction, it was arbitrarily compelled to pay the maximum bid price at all India level. As the BWA

spectrum allotted for BSNL was not suitable to the latest technologies (4G etc.), it has been surrendered. Although it was assured that the spectrum charges will be refunded for the spectrum surrendered, it has not been paid so far.

It is requested that the entire amount paid by BSNL towards spectrum charges be refunded. It is also requested that considering the fact that BSNL is a fully state owned company, spectrum be allotted free.

#### **4. Formation of new/subsidiary companies disintegrating BSNL be stopped.**

The UPA Government formed another company called BBNL from BSNL for providing Broadband services in the Panchayats etc. There is no need for a separate company as BSNL itself has been providing these services. It has also proposed formation of a Tower Company, by bifurcating BSNL. It is also understood that there is a proposal to form a Cable company utilising the huge cable/ optical fibre cable infrastructure of BSNL. These will completely result in disintegration of BSNL and ruin its financial strength, which is at low ebb even now. These proposals may be dropped and BSNL be allowed to function without carving out new companies out of it.

#### **5. Filling up the posts of Directors of the BSNL Board.**

Two posts of Directors viz. Director (Finance) and Director (HR), are vacant for many months. For the efficient functioning of the company, these posts are required to be filled up early.

#### **6. Pension contribution on the basis of the actual pay instead of the maximum of the pay scale**

At the time of corporatisation in 2000, it was assured by the Government that the DoT employees who will be absorbed in BSNL will be paid pension by the government, since they were government employees. Accordingly, pension contribution is being paid by BSNL to Government for all BSNL absorbed employees till retirement on the basis of the maximum of the IDA pay scale of the employee concerned. According to the Government orders, pension contribution is to be paid only on the basis of the actual pay of the employee while on deputation etc. But BSNL is compelled to remit an extra huge amount since it is directed to pay the contribution on the maximum of the pay-scale. This may be changed in to payment on the basis of the actual pay of the employee.

#### **8. BSNL/MTNL services to be made mandatory for central/state/PSU establishments**

As in the case of Air India, BSNL/MTNL services should be made mandatory for all the establishments in Central/State governments and their PSUs.

#### **9. Absorption of ITS Officers**

The lack of professional top management is one of the reasons for the inefficiency in BSNL. The permanent deputation of ITS officers in BSNL should be put an end to and sufficient number of professionals be recruited to run this organisation.

#### **10. 78.2% IDA merger for the BSNL Pensioners**

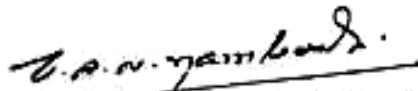
BSNL employees have been granted 78.2% IDA merger fixation notionally w.e.f. 01-01-2007 and actually from 10-06-2013, the date on which DOT issued orders for the same (DOT 64-01/2012-SU dated 10-06-2013). But the pensioners who retired before 10-06-2013 have not received the same in their pension, as separate orders are required, which are yet to be issued. To settle the issue, the Presidential Directive issued by DOT has to be revised to extend the benefit of merger of 50% IDA with basic pay w.e.f. 01-01-2007, effectively amounting to 78.2% for the purpose of fitment and pay fixation on actual basis, instead of notional pay fixation keeping the arrear payment deferred as per agreement. This fixation is based on the govt. orders of the VI Central Pay Commission and is implemented in all Departments and PSUs. But the BSNL pensioners are denied the benefit of the same. This is pending long in DOT /Dept. of Expenditure without any decision, resulting in deprivation of the same to the BSNL pensioners. Favourable decision may kindly be taken in the matter at the earliest which will be a great relief to these senior citizens.


Sir,


We request you to kindly consider the above issues favourably and issue necessary orders/directions so that BSNL can once again be made financially viable as also efficient to enable it to provide a better service to the nation. In this connection, we request that a meeting be granted to the Forum to present our case.


With kind regards,

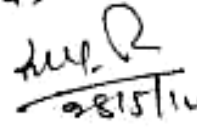
Yours Sincerely,

  
V.A.N. NANDAN  
(V.A.N. NANDAN)  
CONVENER FORUM  
BSNL  
(PRAHLAD RAI)  
GS, AIRS/LEA

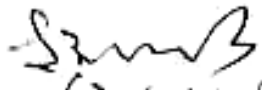
  
Romkishan  
GS, BTU-BSNL  
S.G. NPTBE  
RULOR

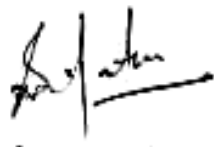
  
K. Sebastian  
GS/NEACI

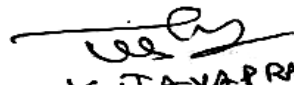
  
SURESH KUMAR  
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