

FORUM OF BSNL UNIONS / ASSOCIATIONS

D-7, Gole Market, New Delhi, 110001.

FORUM/BSNL

18th November, 2014.

To

**1. Sri. Rakesh Garg,
Secretary, DoT,
Sanchar Bhavan,
New Delhi – 110001.**

**2. Sri A. N. Rai,
Chairman & Mg. Director, BSNL,
Bharat Sanchar Bhawan, Janpath,
New Delhi – 110001.**

Sub: Notice for indefinite Strike from 3rd February 2015 by BSNL Executive and Non-Executives

Sir,

The Forum of BSNL Unions/Associations, the umbrella organization of the Unions/Associations of Non-Executives and Executives in BSNL, has been making sustained efforts for the last few years for the revival and strengthening of BSNL and improving its services to the customers. Various suggestions and proposals for the same have been continuously presented to the Government and the BSNL Management, but unfortunately, no serious decision or action is taken, resulting in reduction of revenue, loss of market share and posting of loss for the last consecutive four years. Despite the best efforts of the Unions/Associations to improve the BSNL services to the customers, much could not be done due to the extreme crunch of various equipment, store materials and cash. On the plea of incurring loss, existing benefits of the employees like Medical Allowance, LTC etc. are either discontinued or restricted. At the same time, proposals are being mooted by the government for retrenching of staff through implementation of VRS, disinvestment, forming companies by bifurcation of BSNL, outsourcing services to private companies etc. which will result in further deterioration, both in revenue as well in service.

The meeting of the Forum of BSNL Unions/Associations of Non-Executives and Executives after serious discussion on all these issues has decided to call for Indefinite Strike with effect from 3rd February 2015 by both the Executives and Non-Executive employees. In preparation for the strike, the following programmes will also be organised:

Programme of Action

- 1. "Demands Day" on 11th December 2014 with Lunch Hour Demonstrations.**
- 2. 10 Days Campaign from 11th to 20th December 2014.**
- 3. "March to Parliament" on 19th December 2014.**
- 4. 3 Days Dharna at SSA/Circle/BSNL CO from 6th to 8th January 2015**
- 5. Indefinite Strike from 3rd February 2015.**

Charter of Demands:

1. Filling up the posts of CMD/BSNL and Director(Finance) and DIR(HR) of BSNL Board:

BSNL is not having a regular CMD since July, 2014. Director(HR) post is vacant for the last three years from December, 2011 where 2.4 lakh employees are working and Director(Finance) post for the last about one year in a company having a turnover of more than 28,000 Crores. DIR(EB) is holding the additional charge of DIR(HR) and looking after the charge of CMD/BSNL also. DIR(CM) is holding the additional charge of DIR(Finance).

The Forum demands that this Strategic and key positions of BSNL, CMD/BSNL, DIR(Finance) and DIR(HR) to fill up on war footing as the first step towards the revival of BSNL.

2. Formation of subsidiary companies of BSNL.

The Forum expresses its strong protest against the decision of the Government / DOT / BSNL Board on the formation of a subsidiary company from BSNL by hiving off the tower assets. BSNL has got more than 62,000 towers, which is one of its biggest assets, like Optical Fibre /Copper Cable network and land /buildings. Taking away these huge tower assets from BSNL will weaken BSNL and its huge business prospects. We are quite convinced that the eventual move of the government is to privatize the potential tower business segment of the Company. BSNL cannot and will not survive without its Tower/Optical Fibre/land assets.

The Forum demands that this proposal/decision for formation of a Tower Company be rescinded immediately and the tower assets be retained with BSNL and monetized effectively.

3. Compensation for Loss on landlines for rural / remote area service.

One of the main reasons for the loss of BSNL is that it is providing rural land-line services, which are loss-making, but is part of the social commitment of the government for universal service. The private companies seldom provide services in these isolated and remote areas. Services in the naxal-affected and border areas of the country are fully provided by BSNL, which are loss making and risky. At the time of disasters like landslides in Uttarakhand, cyclone in Odisha/A.P. or floods in J&K, it was BSNL alone which restored its services immediately and which was appreciated by all. The loss for BSNL for these rural services comes to about Rs.12,000 - 13,000 crores per

annum. Even the support of Rs 1250 crores from USO Fund recommended by the TRAI is not paid to BSNL.

The Forum demands that the loss caused to BSNL for implementing the social commitment of the government is fully compensated.

4. Procurement of equipment for development, expansion and better service, more focus on laying OF cable to strengthen the transmission network.

The main reason for the decline of the expansion and the service is the cancellation of the 45 million, 93 million and 5 million tenders for the mobile equipment in the 2007 – 2010 period. This resulted in acute equipment crunch and consequent inability on the part of BSNL to expand services. Comparing to other operators, number of BSNL BTSs is very less which makes BSNL out of competition because of congestion in the network, coverage etc. Expansion of Mobile network by adding more and more 2G/3G BTSs etc in comparison with other operators should be taken up urgently. More focus should be given to the western region having more potential where the development is hampered due delay in supply by M/s ITI Ltd. Further, procurement of sufficient quantity of cables, broadband modem, drop wire etc. is not made. Though the supply has started coming slowly, it is completely insufficient. **The quality of the stores procured especially that of EPBT and Type II BB modem etc are very poor.**

Of late we are witnessing that BSNL is not giving much focus on laying Optical Fibre Cable and strengthening the transmission network. At the same time, other operators are laying large quantity of OF Cable. BSNL is not able to provide uninterrupted services at various parts of the country especially in the Eastern Region due to the poor transmission network. Practically no concrete action is taken to improve the OFC network in Eastern region. Simultaneously, immediate action is to be taken to replace the aged OF Cables and strengthening the OFC network. Availability of OFC is another issue to be addressed.

Forum demands that Mobile network to be expanded, sufficient and adequate equipments are to be purchased and supplied to enable fast development and maintenance. Special focus should be given for laying OF cable and strengthening the transmission network.

5. Transfer of Assets to BSNL

The assets transferred to BSNL at the time of Corporitaton on 01-10-2000 is not yet transferred in the name of BSNL. BSNL is maintaining the assets for the last 14 years and even paying taxes for the same. Sam Pitroda Committee recommended to complete the transfer of the land and other assets in the name of BSNL and create a land bank for its commercial utilization which makes a business case for BSNL for its revival. Since the land and assets are not transferred in the name of BSNL, effective monetization is not possible for the same.

The process of transfer of assets has to be completed in time bound manner.

6. Proposal for Merger of BSNL and MTNL.

The employees/unions were completely against the trifurcation of the Department of Telecom into three corporations viz. VSNL, MTNL and BSNL, which process was completed by 2000. VSNL is already privatised. MTNL is disinvested above 46%. Due to the strong resistance by the employees and their unions/associations, BSNL could not be disinvested. The market liability of MTNL is huge, to the tune of Rs.11,000 crore now, even after adjustments. Different pay scales and service conditions exist in BSNL and MTNL. The transfer liability and other service conditions also differ.

The Forum is of the strong opinion that without sorting out comprehensively the contentious and complex HR issues, govt. fully owning up all the existing market liabilities of MTNL and also purchasing back the shares from the share market, any merger of BSNL and MTNL will be counterproductive. The bitter experience of the merger of Air India- Indian Airlines is before us, which has resulted in continued agitations and negative growth. Such a merger will be disastrous for both BSNL and MTNL.

7. Spectrum Liberalisation and Trading.

According to Govt decision, the telecom companies who have been allotted spectrum through auction after 2010 can liberalise as also trade their airwaves. BSNL, whose license is valid up to 2017, was allotted spectrum before 2010 and without auction. Hence, BSNL cannot liberalise or trade its spectrum like the private operators without making payment. BSNL should not be disqualified from trading and sharing of spectrum. While TRAI, completely unmindful of the fact that government also owns telecom companies, is in every manner protecting the interests (legitimate/illegitimate) of private sector, DOT has got a fundamental responsibility to protect the legitimate interest of its company, BSNL. Without spectrum liberalization, BSNL cannot start 4G services.

While the private operators Airtel, Vodafone and Idea are allowed to provide 3G services even in the circles where they do not have 3G spectrum by intracircle roaming agreements among them, the BSNL was compelled to purchase 3G spectrum for all the circles irrespective of commercial considerations, at a huge cost of Rs 10500 crores. Thus BSNL was robbed of its reserve funds in a discriminating manner. **Forum demands that this amount unduly collected from BSNL be refunded to it**

Considering the financial condition of BSNL and the Govt's resolve to revive BSNL, the Forum demands that BSNL also be allowed to liberalise and trade its spectrum for upgrading its services and enhancing revenue without paying extra charges.

8. Pension contribution on actual basic instead of maximum of the pay scale for the employees absorbed from DoT to BSNL.

Pension and all issues related to pension for employees absorbed from DOT into BSNL is to be strictly regulated vide provisions contained Rule-37 A. Accordingly, Pension contribution from employees of BSNL is to be regulated in accordance with the orders of DOP&T OM dated 19.11.2009 on the basis of recommendations of 6th CPC, thus superseding DOP & T OM dated 15.05.2000. As per DOP&T order No. 2/34/2008-Estt. (Pay II) dated 19.11.2009 and in supersession of the order dated 15th May, 2000, pension contribution payable w.e.f 01.01.2006 in respect of employees on foreign service/deputation, is to be paid on the existing basic pay (pay band plus grade pay) and not on the maximum of the pay scale. BSNL is mandatorily to pay pension contribution on the existing basic pay according to DOP&T order dated 19.11.2009, not on the maximum of the scale as envisaged in the superseded order of DOP&T which is redundant, both for Central Government employees as well as BSNL. This has been reiterated by DoPT on 24.04.2014. However, DoT is arbitrarily coercing BSNL to pay pension contribution on maximum of scale in contravention of decision of the Union Cabinet mandating Government to pay pension in terms of 1972 CCS pension Rules. The payment of pension contribution by BSNL in contravention of DOP&T orders resulting in huge overpayment to the tune of 300 crores of rupees per annum for the last more than seven years since 01.01.2007. This in fact is almost double the amount actually due to be paid by BSNL on this account and that too at a time when BSNL is under huge loss and is on the brink of financial collapse.

Forum demands that the pension contribution to be paid by the BSNL to Government for the BSNL absorbed DOT employees should be on the basis of actual basic salary and not on the basis of the maximum of the pay scale, which is a grave injustice.

9. Reject the recommendation of TRAI to force BSNL to surrender 1.2 MHz spectrum in premium 900 MHz band.

TRAI has recommended, BSNL to surrender 1.2 MHz of spectrum in the premium 900 MHz band in 16 Circles to ensure that wider bandwidth is made available to private operators in the upcoming auction and their vested interests are well protected. BSNL is the strategic telecom company of the country which has to and continues to meet social obligations of telecom policy and security concerns of the country in an exemplary manner, latest instance being the commendable role of BSNL alone in providing services in AP, Odisha, Uttarakhand, J&K, TN etc. during natural calamities like tsunami, landslides, floods etc. while private operators ran away from such calamities. 80% of Mobile network of BSNL is in the 900 MHz. Surrender of 1.2 MHz of spectrum in premium 900 MHz band will create huge congestion in the network to the tune of 10% to 50%. In addition, huge cost is involved in re-engineering. We are afraid BSNL may be yet again a victim of vicious and never ending nexus of private operators and TRAI.

At present BSNL is holding 6.2 MHz of 900 MHz band spectrum in a very fragmented form. Forum demands that without reducing the quantum of this band of spectrum available with BSNL, it should be made contiguous, so that it can effectively provide 4G services using it.

The Forum demands that the recommendations of TRAI asking BSNL to surrender 1.2 MHz in 900 MHz band should be rejected outright.

10. Reject M/s Deloittee Consultant recommendations

The recommendations of the consultants M/s Deloittee are only intended to gradually disinvest and privatise the BSNL as also to implement VRS / retrenchment. The retrograde recommendations to outsource the work, hiring the employees even at Executive level, reducing the Non Executive staff strength by 2/3 and Executive by 1/3 etc to be outrightly rejected. Reducing the SSAs also will result in deterioration of the service. The recommendations are counter productive.

The Forum demands that the recommendations of the Deloittee Committee be outright rejected.

11. Allotment of spectrum free to BSNL

BSNL, being a fully owned government company, the Spectrum should be supplied free to the telecom PSU, BSNL, in future also. This is as per the policy commitments at the time of formation of BSNL which has to meet the social commitment of the Govt. _

12. Provide financial assistance to BSNL to expand the network.

BSNL is not having sufficient funds for purchase of required equipments for development, expansion etc. Urgent expansion of network is required to avoid congestion and for providing new connections and efficient functioning. In this situation, the government has to make arrangements for financial assistance to the company, like soft loan for developmental purposes, as is being provided elsewhere.

13. BBNL should be merged with BSNL

According to the Forum, there is no need for a separate company like BBNL for providing BB services to the rural areas. BSNL is already having large OF network and connectivity to the remote areas, minimum up to block level. Govt need not have two service providers, BSNL and BBNL to provide Broadband services. BBNL should be merged with BSNL and the broadband development should be part of BSNL activities.

14. 4G Services should be started by BSNL.

Like 3G and BWA spectrum, government should provide free spectrum to BSNL for 4G services in advance.

15. Refund of BWA spectrum charges by the Government for the spectrum surrendered by BSNL earlier.

BSNL surrendered spectrum in various Circles and an amount of Rs 6724 crores is to be

refunded to BSNL. Due to financial crisis, BSNL is not able to invest for developmental activities to expand its network which further weakened the company. BSNL is forced to take loan from financial institutions to fund the capital expenditure when its own money is held up in the hands of the Govt.

Forum demands that the present decision of the Govt to adjust the amount of Rs 6724 Crores in the payments from BSNL is to be reconsidered and the entire amount is to be refunded to BSNL to expand its network.

16. 78.2% IDA merger fixation for pre-2007 and post-2007 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, since separate orders are required, which are yet to be issued. To settle the issue, the Presidential Directive issued by the 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 government orders on 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 issue is pending with DOT. It is understood that a Cabinet Note is being prepared in this connection for submitting to the Cabinet.

The Forum demands that the Cabinet Note be prepared and submitted to the Cabinet early as suggested in the earlier para, so that justice is got done to the Pensioners.

17. Pension Revision of BSNL Pensioners

BSNL retirees are being paid pension by the government, as per Rule 37 A of the CCS Pension Rules 1972. While the Central Government pensioners are getting periodical pension revision, there is no such system for the BSNL pensioners. For example, the BSNL employees got wage revision from 01.01.2007. But the BSNL pensioners did not get pension revision. Due to the pressure created by the Forum of BSNL Unions and Associations, decision for revising pension of BSNL retirees was taken much belatedly by the Cabinet. Hence, a mechanism should be put in place, as in the case of pensioners of the Central Government, for the periodical revision of pension of the BSNL retirees.

The Forum Demands that whenever wage revision is due, the Pension revision also should take place. Without this, the pension of the retired employees will stagnate and will lose all benefit for the pensioner.

18. Fresh Recruitment of Staff required

More than 1,30,000 staff have retired since BSNL was formed. But no new recruitment has taken place to fill up these vacancies. At the lowest level, there is acute shortage of staff resulting in deterioration of service. Fresh

blood is required for any organization. New recruitment should take place in BSNL.

19. BSNL service to be mandatory to Central Government, State Government and PSUs:

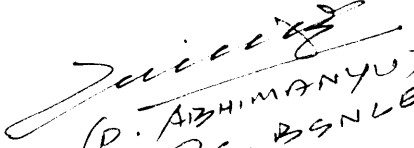
As in the case of Air India, all the central, state and PSUs should be mandated to take the services of BSNL, which is a PSU. This will give a chance to BSNL to provide a good number of connections.

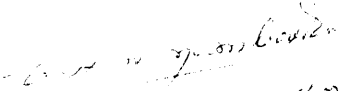
20. Condition of mandatory purchase of equipments from ITI to be scrapped.


BSNL is mandated to purchase 30% of equipments from ITI. There is much delay in supply of equipment from ITI, which has resulted in extreme delay for the expansion of services in the Western part of the country and loss of revenue. ITI has failed to supply equipments in time. Further it is understood that ITI is functioning only as an agent by purchase and supply of equipment, instead of a manufacturer, resulting in the present unhappy situation.


The Forum demands that the decision of mandatory purchase from ITI be rescinded to enable BSNL to purchase from open market according to requirement.

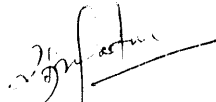
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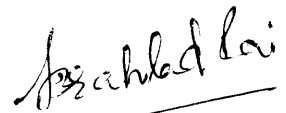

(P. ABHIMANYU)
G.S. BSNLEU.

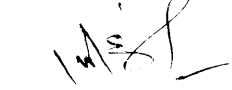

(H. S. ...)
Director, Forum



K. ...
G.S. ...



(SURESH KUMAR)
G.S. BSMLMS

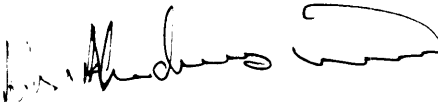

D.G.S., SMTTA



PRAHLAD RAI
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