

## **JOINT FORUM OF ASSOCIATIONS AND UNIONS OF EXECUTIVES AND NON-EXECUTIVES IN BSNL**

Dear Friends and Comrades,

Serious developments are taking place in the Telecom Sector that will adversely affect both BSNL and MTNL and its four lakhs executives and non-executives.

The issues causing grave concern are:

1. Decision of the Government to hike FDI ceiling in Telecom to 74% from the present 49%
2. Statement of the Finance Minister that profit making non-Navaratna PSUs will be disinvested which may include BSNL.
3. Pronouncement of the Communication Minister that :
  - a) ILD and NLD license fee will be reduced from Rs.25 crores and Rs.100 crores to a uniform Rs.2.5 crores.
  - b) Obligation of the private sector to provide rural telephony of 10% will be scrapped.
  - c) Reduction of revenue sharing percentage from 15 to 6.
  - d) Permitting the private sector to use their NLD and ILD license to offer internet telephony.
  - e) Introduction of 'one nation one rate'. (One estimate puts the loss of revenue to BSNL of the order of Rs.11,000 crores)
4. Reports appearing in the press about NTP 2005 mention the following:
  - a) Scrapping of drastically reducing ADC, by which BSNL will lose approximately Rs.5,000 crores.
  - b) Sharing the last mile copper connectivity (even though the Govt. has replied to the union's memorandum submitted to the Prime Minister that suggestion of the TRAI in this regard is not accepted).
  - c) Sharing the accommodation and infrastructure of the BSNL by private operators.

The indications are very clear that the assurance repeatedly given that, BSNL would be an important instrument in the hands of the Govt. for achieving its social objectives in regard to spread of telecommunication network in the country are not being honoured.

The performance of BSNL with regard to mobile telephony in the first to years was quite impressive. Despite a time lag of 8 years, it reached the second position and would have easily surpassed the first operator but unfortunately the tempo was not kept up. Equipment could not be made available in time and we could not keep up the promise of providing connections within the time indicated, which resulted in migration of subscribers to private operators, even though they prefer BSNL.

One of the reasons advanced for setting up the corporation was to cut red tape and take quick decisions in an environment of competition. The purpose is defeated, in fact, the delay is more.

It is very necessary that BSNL should be conferred Navaratna status that will have the requisite flexibility and autonomy to carry out its objectives. It may be recalled that at the time of corporatisation, Minister Ram Vilas Paswan assured that Navaratna status will be given to BSNL. It is the biggest PSU with an authorized capital of Rs.10,000 crores and a paid up capital Rs.5000 crores. It is consistently making profit for the last five years and in the last year it has earned a profit of more than Rs.10,000 crores. It paid a dividend of Rs.975 crores in the last year. Its income has almost doubled in the last five years. BSNL had sent proposal for the conferment of Navaratna status in 2002 itself. Some newspapers say that it has been rejected by the Govt. as the conditions of MoU for 5 years and a particular grading have not been satisfied. The Joint Forum urges the Govt. to grant Navaratna status. By relaxing the conditions and full autonomy should be assured.

**BROAD BAND :** Holding up bundling as recommended by TRAI and giving the BSNL the opportunity to expand the broadband services for which there were immense possibilities was a welcome thing. But this was not utilized. It is a big management failure. Immediate steps should be taken on a war footing.

**EQUIPMENT :** Introduction of inferior quality by BSNL WLL resulted in poor service to the customers. Unless improvement is made on this count, it will be difficult to compete with the private companies.

**USO FUND :** Rural telephony which requires great attention is sought to be supported by funds from the USO. Contribution to USO Fund is according to the revenue of the various service providers. The benefit from the USO is according to the number of connections given and it is made available to all the service providers. BSNL is making a huger contribution based on its revenue, but the amount it gets is disproportionate to its contribution. It will be better off without the obligation of contribution. Now USO Fund is given only to land lines. Perhaps the system itself requires change.

**OUTSOURCING:** Lot of work that can be done by the existing work force is given to outside agencies at a huge cost. This should be stopped.

**AMC:** Annual Maintenance Contract has become a regular feature. Even routine maintenance, for which staff is provided, is given on AMC. It is waste of funds. (For example in Pondicherry, the expense which was of the order of Rs.1 lakh has now shot up to Rs.43 lakhs annually).

The workers and officers have to realize that their future lies in the survival and growth of BSNL. We have to keep our subscriber base and also win over subscribers of other service providers. We have to be active participants and not passive spectators looking helplessly at wastage, corruption etc.

As the stakes are very high for the people and the future of the workers and their families are involved, we have to fight against the nefarious move to kill the Public Sector.

The Joint Forum is of the considered view that only by a determined and sustained struggle including a united indefinite strike, the serious issues can be


resolved. The Joint Forum calls upon you to organize the following agitational programmes to save BSNL.

1. Lunch Hour Demonstration and Meetings : 8<sup>th</sup> December, 2005
2. Dharna : 21<sup>st</sup> December, 2005
3. One Day Strike : 5<sup>th</sup> January, 2006

Dear Friends and Comrades,

The challenges and dangers are grave. We have to react in a powerful manner. We are determined. We have to defend the BSNL and our workers. Succeed we must. The closest unity of all workers and executives is the surest guarantee for our success. Make the programmes a resounding Success!

*Yours fraternally,*

 V.A.N. Nambodiri General Secretary BSNLEU	 O.P. Gupta Secretary General NFTE - BSNL	 K. Vallinayagam General Secretary NUBSNLW - FNTD
 G.L. Jogi General Secretary SNEA	 S. Basu General Secretary AIBSNLEA	 V. Narayana General Secretary BSNLMS
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