

JOINT ACTION COMMITTEE OF ASSOCIATIONS / UNIONS OF BSNL EXECUTIVES & NON-EXECUTIVES

D-7, Telegraph Place, Gole Market, New Delhi – 110 001.

JAC / GL

16.09.2010

To

**Dr. Manmohan Singh,
Prime Minister of India,
New Delhi – 110 001**

Sub: - **Improving financial viability of BSNL**

Respected Sir,

On behalf of the three lakh executive & non-executive employees of BSNL, I would request you to favourably consider the following which will improve the financial position of the fully govt. owned telecom company, BSNL.

When Bharat Sanchar Nigam Limited was formed in October 2000, it was assured by the Government that it will ensure the financial viability of BSNL through the following methods to enable the PSU to provide service in the villages, remote areas etc. which are loss making but is part of the social commitment of the government.

- (a) Reimbursement of License Fee paid by BSNL.
- (b) Payment of ADC (Access Deficit Charges) collected from private telcos to BSNL.
- (c) Subsidy from Universal Service Obligation Fund.

Till 2008-2009 BSNL was in profit despite the fierce competition and price war as also roadblock in procurement of sufficient mobile lines. In between, the License Fee reimbursement was stopped. ADC was reduced and is liable to be fully stopped. BSNL is almost getting less from USO Fund that what it is paying to USO Fund. All these have resulted in loss of Rs.1822 cr. in 2009-2010 for the first time.

The reserve fund of BSNL, which was about Rs.35,000 crore is also reduced. BSNL was compelled to pay Rs.18500 crore towards 3G Spectrum charges, being the highest than any private company. As per National Telecom Policy 1999, BSNL was not required to pay any entry fee for cellular mobile licences which was bundled with initial spectrum of 4.4 MHZ and was also exempted from 2G spectrum charges of Rs.1,650 crores in view of the social and rural commitment it has to implement. In the same way 3G spectrum charges also should be waived for BSNL.

In view of the above, the Joint Action Committee of BSNL Associations/ Unions of Executives & Non-Executives requests the Hon'ble Prime Minister to kindly accept the following proposals to help and improve BSNL service and revenue:

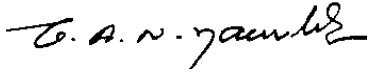
- (1) Reimburse the Rs.18500 cr. paid by BSNL towards 3G and BWA spectrum charges.

- (2) Restore ADC fully and paid to BSNL.
- (3) Restore Reimbursement of Licence Fee.
- (4) Give preferential treatment to BSNL for grant from USO Fund.
- (5) Procurement process is streamlined and expedited.

We request the Hon'ble Prime Minister to favourably consider the above and issue necessary instructions so that BSNL is made financially viable and is enabled to play its due role in giving universal services and better service to the people. It is also requested that the Hon'ble Prime Minister may kindly grant a meeting to us to personally present our views and suggestions.

Thanking you,

Yours Faithfully,



[V.A.N.Namboodiri]
Convenor

Copy to: 1) Shri A.Raja, Minister of Communications & IT, Govt. of India, New Delhi
2) Secretary, DOT, Sanchar Bhawan, New Delhi
3) Shri Gopal Das, CMD, BSNL, Bharat Sanchar Bhawan, New Delhi