

JOINT ACTION COMMITTEE OF BSNL ASSOCIATIONS / UNIONS

D-7 Telegraph Place, Gole Market, New Delhi- 110001

No.JAC/BSNL/2010

09.09.2010

To

Sri S.C. Misra
Member Services,
Telecom Commission,
Sanchar Bhawan
New Delhi – 110 001

Sub: JAC's views on Sam Pitroda Committee recommendations - Reg.

We are submitting the following suggestions on the recommendations of the Sam Pitroda Committee for your favourable consideration. After getting the full details and references mentioned in the committee report, we will be submitting our further suggestions in the matter.

Recommendation 1.0

The enhancement of the quality of senior executives, the management team and the decision making process should be not only for responding to the competitive business environment and the changing market realities, but also it must respond to the social responsibilities required to be carried out by BSNL as a Central Public Sector Enterprise. The Government should support BSNL financially to meet the social responsibilities. In this connection, it is to be pointed out that the government failed to honour its commitment in the NTP 1999 as also the assurances given at the time of corporatisation like Reimbursement of License Fee, exemption from taxes etc. The Government also discontinued the payment of ADC and reduced the payment from USO Fund. We demand that the government should extend necessary financial support to its own PSU.

Recommendation 1.1

We support the proposal of selecting the best professionals including from internal candidates. But a Public Sector Enterprise like BSNL should not be allowed to be run just like a Private Operator. The concept of market rate salaries for higher level management is suitable only for private sector. The Rao Committee (Second Pay Revision Committee for executives in CPSEs) already studied this aspect and recommended higher salaries for top level managers of CPSEs keeping in view the market realities. At the same time, if the existing relativities between salaries of top level executives and other executives and non-executives in BSNL are highly disturbed, it will lead to deep dissatisfaction in the staff.

Recommendation 1.2

We agree the proposal of separating the post of the Chairman from the post of Managing Director. The Chairman should be an eminent professional with vision and commitment to Public Sector philosophy and having the capacity and stature to interface with the external environment.

The Managing Director should be an absorbed ITS Officer or a professional with business acumen and committed to Public Sector.

Recommendation 1.3

We demand that there should be adequate representation of the workers in the Board of Directors.

Recommendation 1.4 and 1.5

We agree to the suggestions. We also suggest that the Heads of Circle should be absorbed ITS officers.

Recommendation 1.7

We support the idea of three year contract with specific targets for the key management team members. We oppose stock options to them since we oppose disinvestment.

Recommendation 2.0

Based on the BCG recommendations, the management is already implementing this. We request the management to inform the result/outcome of the implementation of these recommendations.

Recommendation 3.0

There is no difference with the necessity for improving the organization performance and employee productivity substantially, although as per the report submitted by the CAG, the productivity of BSNL employees already increased substantially.

Recommendation 3.1

We demand for immediate implementation of ITS absorption. The commitment given by the Minister in this respect has not been implemented so far. We want the same to be implemented without further delay.

Recommendation 3.2

We support the proposal for inducting significant young talent in technology, IT, marketing, customer services, sales etc. with emphasis on inducting the existing talent within the BSNL.

Recommendation 3.3

We totally and strongly oppose the VRS/transfer. The existing man power in BSNL should not be treated as a bane but should be treated as a boon and best utilized for improving BSNL's performance.

Recommendation 3.4

While we are for improving the performance of BSNL and the productivity of employees, we do not know what exactly the meaning and implication of meritocratic organization is. We request to provide us with the details of the proposed meritocratic organization. After studying those details only, we will be in a position to respond.

Recommendation 4.0

We are for a system enabling procurement rapidly and with quality. But we are not in favour of the managed services model or any other model which adversely affects the staff.

Recommendation 5.0

We agree.

Recommendation 6.0

We totally and strongly oppose disinvestment as it is unproductive and meant for privatizing BSNL in phases.

Recommendation 7.0

We support all these proposals, but we also demand that the Government should direct all Government Departments and PSUs to have their telecom services from BSNL and MTNL only.

Recommendation 8.0 and 9.0

We support the proposals.

Recommendation 10

We totally and strongly oppose this since it is nothing but handing over our potential business to private operators.

Recommendation 11

We fully support the proposal

Recommendation 11.1

We strongly oppose sharing of the active infrastructure.

Recommendation 11.2

We fully support it.

Recommendation 12.0

We agree.

Recommendation 13.0

We oppose the formation of any subsidiary and its disinvestment / IPO.

Recommendation 14

We are for utilizing the vacant land and quarters in the best possible profitable manner. But we oppose the formation of any subsidiary and collaboration with Real Estate Company for this purpose.

Recommendation 15

This may not be viable in view of the present financial condition of BSNL.

While in the Report, the Sam Pitroda Committee stated that there were substantial details available on each of these recommendations, the same were not provided to us, thus putting a severe restriction on enabling us to understand the meaning and implications of these recommendations.

Yours Sincerely,

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Chairman
JAC.

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Fin. Secy.
SCIST EWA of BSNL

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