

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

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

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## ***An Appeal to the Members of Parliament***

Dear Sir,

We, on behalf of the Joint Action Committee of BSNL Associations / Unions of Executives and Non-Executives, wish to submit the following for your kind consideration and for taking up with the Government of India with regard to the future of Bharat Sanchar Nigam Limited (BSNL), its workers and for a better communication service to the people.

As you may be fully aware, BSNL was formed as a Public Sector Unit (PSU) on 1<sup>st</sup> October 2000, carving out of the Department of Telecom (DOT) as per the neo-liberalisation policy of the Government. The staff federations were opposed to corporatisation, since they were concerned about the future of the company and the workers.

To allay the fears of the workers with regard to the financial viability of the new corporation, the Government assured that it will subsidise the operations of the company many of which are loss making, like providing services in the rural and remote areas, but are necessary to fulfil the commitments of the government for universal service etc. Maintaining the land lines are very costly, which also has to be subsidised. Accordingly, the government agreed to support the BSNL by paying Access Deficit Charge (ADC) to be collected from all telecom companies, grant from Universal Service Obligation Fund (USOF) and reimbursement of the Licence Fee paid by BSNL to Government. All combined together, this will come to about Rs. 10,000 crore. Within 10 years all these have been virtually discontinued by the Government arbitrarily putting BSNL in a very difficult position financially.

Despite the discrimination of not allowing DOT / BSNL to start mobile service services till 2002 (private companies were granted mobile licence in 1996), BSNL within 4-5 years reached the second position and was competing to reach the first position. The revenue was also increasing. But the continued cancellation of the procurement of mobile equipments of 45 million in 2007 and 95 million in 2010 by the Government resulted in capacity crunch. Though people wanted BSNL connections, the latter was unable to provide the same due to lack of mobile lines and other equipments. The financial position of the company naturally went down. BSNL, which was having an average yearly profit of Rs.6,000 to Rs. 10,000 for seven years posted a loss of Rs. 1,823 crore for the first time in 2009-2010. In 2010-2011, the loss is more than Rs. 6,000 crore. The main reasons for this down fall are the withdrawal of the financial commitments by Government, discrimination against BSNL compared with the private companies, Mismanagement and a lack of governance.

BSNL was having a cash balance of Rs. 40,000 crore. The government managed to take it all through various calculated methods. BSNL was compelled to pay Rs. 18,500 crore towards 3G and BWA Spectrum charges, Rs.7,000 crore towards an imaginary loan with interest to DOT and towards dividend, taxes, licence fee etc. The entire cash reserve has been taken away.

To overcome this serious crisis and to give a better service to the people, the JAC has called upon the workers to observe a "Customer Delight Year 2011-12" from May 2011 onwards by

providing better service to the people. The targets are zero fault, providing immediate connections on request, a customer oriented service etc. Workers will be doing service even after their office hours to man the customer service, fault repair etc. Marketing has to be very much improved, unnecessary expenditure to be curtailed etc. Due to this programme, the negative trend has changed to a positive trend of development since May 2011.

Despite the full co-operation of the workers for providing better service, the management is proposing to retrench about one lakh workers (out of three lakh) through Voluntary Retirement Scheme (VRS). The management has also withdrawn the Leave Travel Facility, Medical Allowance and LTC. Bonus is denied to the workers for the last two years. Such drastic actions will only demotivate the workers who are trying to improve the BSNL.

In order to improve the financial viability of the company, provide better services etc. the JAC presented a charter of demands before the management for discussion and settlement. Some of the demands are given below:

1. Immediate procurement and supply of equipments including mobile lines, cables, broadband modems etc.
2. Compensation by government for loss making rural services according to policy commitments.
3. ADC to be quantified through adequate and appropriate mechanism and paid to BSNL
4. Refund of Rs. 8313 crore to BSNL paid towards non-standard BWA spectrum.
5. Reimbursement of Licence fee to BSNL as per commitment of the Government.
6. Refund of notional loan of Rs. 7,000 crore with interest collected by Government.
7. Immediate settlement of ITS absorption issue.
8. NO VRS.
9. Immediate payment of Bonus

Since the management/government has so far not conceded our demands, we have decided for agitational programmes including a one day strike in December 2011, the date for which is to be fixed. Our struggle is to ensure that BSNL survives and is enabled to give a better service to the people.

We request your support to our cause and also request to take up these issues in the Parliament for early settlement.

*Yours Sincerely*