

Defeat the retrograde recommendations of the Sam Pitroda Committee

[- Courtesy: Telecrusader, April, 2010]



The much publicized Sam Pitroda Committee has submitted its report. The important recommendations of the committee are retrograde in nature. According to reports, it has recommended 30% strategic stake sale, introduction of a VRS to cut the staff strength by 1/3, scrapping of the 93 million GSM line tender, unbundling of BSNL's last mile copper, etc.

In the backdrop of BSNL's declining market share and profits, Prime Minister Manmohan Singh appointed a three member committee, headed by Sam Pitroda, to suggest the ways and means for the revival of the PSU. The other members of the committee are Deepak Parekh, Chairman of the HDFC bank and P.J. Thomas, Secretary, DoT. The committee is learnt to have submitted its 15 point recommendations to the govt. in the first week of March.

The most important recommendation of the committee is 30% strategic stake sale, as well as the induction of a strategic investor. Out of this, 10% money is go to the government and the remaining 20% is to be used for introduction of a VRS. The Committee is learnt to have argued that the induction of a strategic investor would bring "sound management practice and technological expertise" to BSNL. This recommendation of Pitroda, reminds us of what happened in VSNL, which was a PSU once. Through disinvestment, Tata was inducted initially as a strategic partner in VSNL. Later on, VSNL was privatized and sold to Tata.

The other recommendation of the committee, to retrench one lakh staff through VRS, is nothing but atrocious. Almost one lakh employees have already retired since the inception of BSNL and another 60,000 are going to retire within the next 5 years. As such, the motive behind this recommendation is nothing but to drastically reduce the staff strength, before it is handed over to a private / Multi National Company.

The Committee has also recommended to scrap the 93 million GSM line tender. BSNL management has already acted on this. BSNL, which is already starving due to non-supply of equipments, is certainly going to face a crisis on account of the scrapping of this tender. This recommendation is nothing, but part of the ongoing conspiracy to kill BSNL, by blocking its equipment supply. We remember a similar attempt made by the govt. in 2007, to scrap the 45 million GSM line tender, which was frustrated by the united struggle by BSNL's work force.

The Pitroda Committee has also recommended that BSNL's last mile copper should be unbundled. BSNL, which is the market leader now in the Broadband segment, will certainly lose its prominence if this recommendation is implemented. Through this recommendation, one can clearly see the real face of the Pitroda Committee.

The Committee is learnt to have given some other recommendations, which include time bound solution to the ITS absorption issue, induction of professionals from outside to the top management, segregation of the Chairman and Managing Director posts, etc. But by and large, the recommendations of the Sam Pitroda Committee are nothing but a road map for the privatization of BSNL, which has to be defeated through united struggle.
