

1 Defeat The Conspiracy to Privatise BSNL

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BSNL's profits have come down from Rs 10000 crores in 2004-05 to Rs 574 crores in 2008-09 and it is expected to post loss in the year 2009-10. In the name of saving BSNL from this situation, the Prime Minister Sri Manmohan Singh appointed a committee headed by his adviser Sri Sam Pitroda. The Sam Pitroda Committee submitted its recommendations on 9-2-2010. But these recommendations were revealed by the media in the beginning of this month.

The recommendations of Sam Pitroda are like burning the house itself in the name of eliminating rats in the house. The Committee suggested to disinvest 30% of the shares in BSNL, to retrench one lakh employees in the total 3 lakh employees in BSNL in the name of transfers/VRS, to scrap the tender for purchasing the tender for purchasing 9 crore lines GSM equipment(for providing capacity to give mobile connections to 9 crore customers additionally), to procure the GSM equipment through the managed services system as is being done by the private telecom services companies like Airtel, Reliance, Vodafone etc., to establish a subsidiary real estate company with BSNL and private real estate company as partners to commercially utilize the vacant lands of BSNL etc. All these recommendations are meant for sealing BSNL, but not for its improvement, and for finishing its role as a Public Sector Undertaking in a phased manner.

BSNL is going down in the business not due to the employees' attitude. The fact is that its owner, the Government of India itself, has created all hurdles in its path of development and made it to come down in the Telecom services sector. Until 2006, BSNL is the number one in telecom services sector, both in respect of total number of subscribers and revenue earned. Thereafter, Government adopted policies and prescriptions to weaken BSNL.

BSNL is maintaining 80% of the landlines in the country. Landlines never make profit. It is always a loss making business. Earlier, when the land lines were maintained by Telecom Department itself, the STD call rates were kept high so as to subsidize the loss making land line network. After the formation of BSNL, the landlines of BSNL were subsidized by collecting Access Deficit Charge from private telecom companies. But due to the pressure from the private telecom companies, this Access Deficit Charge was abolished by the Government. As a result the BSNL was compelled to maintain and develop the land lines by making losses, without any subsidy. But the land line network is the valuable property of the nation and it can neither be dismantled nor sold. The vast copper cable network of BSNL land

2line system can be used for providing broad band services and the revenue of BSNL can be increased. By using this network, broadband services can be provided to rural areas so as to bring all the required information to the people in the rural areas.

Thus the losses on land lines can not be avoided until sufficient development of the broadband services. Meanwhile, profits are to be earned by providing the cellular mobile services. But BSNL was allowed to provide mobile services only from October 2002, whereas private telecom companies were allowed to provide these services since 1994 itself. In spite of this, the BSNL has grown very fast in the mobile services and reached second place in the mobile sector, after Airtel, by the year 2006. The private telecom companies are very much worried about this development. Therefore a conspiracy was hatched to stop the development of BSNL. The tender floated by BSNL for procuring GSM equipment of 4 crore lines, for providing mobile services to 4 crore customers additionally, was not allowed to be finalized in the name of court cases and in the name of flimsy objections from the minister and telecom department. All the unions and associations of employees and officers in BSNL have gone on one day strike on 11-7-2010 to protest against this. Due to this, it was decided to purchase GSM equipment for 2 crore lines. But the full tender was not allowed. Again the BSNL has called for 9 crore lines GSM equipment tender. This was not allowed to be finalized. Objection was raised that BSNL's proposal to procure the GSM equipment from the China Telecom Company Huawei was against the security of the Country and it was prohibited to use it for the border States. But the same Government allowed Reliance Telecom to have its equipment installed and maintained by the same Huawei Company throughout the country including the border states. Nokia Siemens Company went to A.P High Court against BSNL stating that its tender for supplying the equipment was rejected irregularly. But the petition filed by Nokia was finally dismissed by the High Court, confirming the procedure adopted by BSNL as correct. Another complaint was made to Central Vigilance Commission against BSNL and a Committee was appointed with the permission of the Central Vigilance Commission to examine the allegations and after thorough scrutiny this Committee confirmed that the BSNL has done nothing wrong. Thereafter, the BSNL tried to reduce the price of the equipment by negotiating with the Ericsson Company after finalizing its tender. This was objected by the Central Vigilance Commission saying that such post tender negotiation is not permissible, although earlier such negotiations were allowed. Finally, as a result of all these pressures, the BSNL management was compelled to cancel this tender totally. Thus since 2006 onwards, several breaks were applied by the Government and its agencies to stop the supply of necessary equipment for the development of BSNL. After thus intentionally damaging the development of BSNL, the Government appointed Sam Pitroda to recommend how to improve it! But the real intention is to clear the way for privatizing the BSNL.

3 **Sam Pitroda** Committee recommended for 30% disinvestment in BSNL in the name of getting funds for the development of BSNL and for creating fund for implementing retrenchment of one lakh employees. In fact there is no scarcity of funds for BSNL. It is having Rs 70,000 crore reserve and surplus funds as per its 2008-09 balance sheet. Therefore disinvestment for mobilizing resources is not at all necessary.

It is stated that the BSNL is overstaffed and out of the 3 lakh employees, one lakh can be retrenched through VRS. In support of this, some figures are given. As per these figures, Airtel with 12 crore subscribers is having only 25000 employees whereas BSNL with 9 crore subscribers is having 3 lakh employees. But the fact is that 80% of the landlines in the country are maintained by BSNL and naturally for maintaining such vast network of land lines, large number of employees are required. On the other hand the Airtel is mostly having cell phone lines which require minimum staff and hence it can maintain its network with such small number of employees. Besides, it is to be noted that the small number of employees in Airtel or other private telecom companies is also due to the fact that these private telecom companies are having no staff for maintaining its telephone exchanges since all the equipment of their network is planned, installed and maintained by the equipment vendors themselves. This is called managed services system. But BSNL is maintaining its own network for which sufficient number of staff are required. It is to be noted that in the interest of the security of the country such managed services system is not proper. This is because the equipment vendors are all foreign companies like Nokia, Ericsson, Nortel, Motorola, Huawei, ZTE etc. Since these foreign vendors themselves are installing and maintaining the telecom networks for the private telecom companies, it is possible for these foreign vendors to monitor the information passing through our telecom network through remote access. Hence initially the Telecom Department objected to this managed services system and asked the private telecom services companies also to maintain their own network without outsourcing it to their vendors. But the private telecom companies have brought pressure on the Government to allow such outsourcing and the Government allowed it, after insisting certain safeguards. It is to be noted that even against the security requirements, the Reliance and several other private telecom companies were allowed to have their networks managed by Chinese and other foreign vendors. Now the BSNL was directed to cancel its 9 crore lines tender, and fall in line with this managed services model, which is against the security of the country.

Thus it is clear that the aim behind Sam Pitroda Committee's recommendations is to privatise BSNL and to hand over its valuable assets at throw away prices to foreign and Indian private telecom companies and real estate mafias.

4 The immediate task is neither disinvestment nor VRS. Any move to impose the same will be strongly resisted by the workers with all their might, as has been done before. The question is how to improve the services of BSNL and its financial viability, market share etc. Till 2006, it was the market leader with number one position. It was only due to the unwarranted intervention of the government that it was deprived of the mobile lines it required after which its market share and revenue declined. The tele-density in the country is less than 50% and there are more than 55 crores of people who have no telephones.

BSNL has got more than 3,000 offices throughout the country and it has got the largest network of cables as also infrastructure. It has got seven telecom factories Gopalpur, Kharagpur, Gopalpur (W.Bengal), Jabalpur, Bhilai, Richhai and Mumbai, which have been catering to the needs of telecom sector for the last so many decades and which can be modernized to suit the present requirements. Lakhs of hectares of land in the centre of big and small cities and towns are with BSNL. It has a cash reserve of about Rs. 40,000 crores stashed in banks. There are more than 60,000 highly qualified engineers and two and half lakhs skilled and dedicated workers. More than 50 crores of people are in need of telephones. In such a situation, the need of the hour is to utilize the existing funds, man power, positive market with a dynamic and correct strategy and policy for expansion and development with a vibrant leadership able to face the stiff competition. The Government should take a positive line in support of the PSU and ensure its financial viability by reintroducing the ADC, reimbursement of License Fee etc, which it has withdrawn. The workers have to change their mindset for giving a better and efficient service to the customers.

Struggle inevitable

However, the UPA II Government with its neo-liberal and anti-worker policies is moving fast for the disintegration, disinvestment and privatization of the PSUs. BSNL is already in the hot list. With the recommendations of the Pitroda Panel in their hands, they may move fast for disinvestment, VRS etc. The three lakh workforce in BSNL has to take the initiative in co-ordination with other trade unions and progressive section of the people to ensure that the evil designs of the government to weaken disinvest and privatise BSNL should be opposed and defeated.

Protest demonstrations on 15-3-2010

All the unions and Associations of the Executives and Non-Executives working in BSNL have come together under the banner of a Joint Forum and decided to fight against and defeat the conspiracy of the Government to kill BSNL. This struggle will begin with protest demonstrations throughout the country on 15-3-2010 and the struggle will be further intensified.
