

Dismantling of BSNL by the Government

BSNL employees and officers have observed a three-day country-wide strike from February 18 to 20, highlighting their long-pending issues. The strike that had been supported by all central trade unions, excluding the Bharatiya Mazdoor Sangh (Rashtriya Swayamsevak Sangh's labour wing), have put forward their demand charter. The demand charter includes implementation of the 3rd Pay Revision with 15% fitment; allotment of 4G spectrum to BSNL, as per the proposals submitted by the BSNL Management; implementation of the assurance of the Minister of State for Communications for delinking pension revision from pay revision; revision of pension of BSNL retirees with effect from January 1, 2017; payment of pension contribution by BSNL as per government rules; and settlement of the pending issues of the 2nd Pay Revision Committee.

While at the time of its formation, the decision for the financial viability of BSNL had been taken, it is yet to be implemented. Now, the employees and officers in BSNL are demanding issuance of a letter of comfort for BSNL's proposals for taking bank loans along with filling up all vacant posts of the Board of Directors. They have also demanded the approval of BSNL's Land Management Policy without any delay; completion of the mutation and process of transferring of all assets to BSNL, as per the Cabinet decision taken on the eve of the formation of BSNL; and scrapping of the telco's outsourcing for operation and maintenance of its mobile towers, etc.

On the other side, the telco headquartered in Delhi has issued a statement that, "The Department of Telecom (DoT) is in the process of finalising a proposal for the revival of BSNL to be considered by the Digital Communications Commission (DCC) very soon," following reports revealing the Centre's move to dismantle the BSNL. Earlier, *The Times of India* had reported that the direction from the Centre to the company to consider all options including closure was given after the BSNL officials' meeting with telecom secretary.

The public sector service provider had been making profits till 2009 since its inception in 2000. However, in the 2017-18, BSNL had an annual loss of Rs. 7,992 crore whereas in 2016-17, the loss was Rs. 4,793 crore. But, BSNL was not the only service provider that faced loss during the same period. These losses are simply due to the policies of the consecutive governments at the centre.

At the time of its formation the Group of Ministers "has decided that for discharging obligations in regard to rural telephony or any other uneconomic services, BSNL would be duly compensated. But the compensation for providing the loss making rural land line services was gradually reduced and finally abolished, thus imposing losses on BSNL.

The Government, by raising various unwarranted objections has prevented BSNL from procuring the equipment required for the expansion of its mobile network, for a long time, from 2007 to 2012.

In 2010 the Government has allocated 3G spectrum and BWA spectrum to BSNL including for the circles where it will not be commercially viable, and collected a huge amount of Rs 18500 crore thus gobbled up most of its cash reserves.

These are the factors intentionally created by the Government for imposing losses on BSNL.

At the same time the Government has been encouraging the private telecom operators in various ways by bending or mending rules and also violating the rules.

The license fee to be paid by the private operators as per the tender was reduced in 1999 by the care taker Government of Vajpayee violating all fairness. It resulted in a loss of Rs 43000 crore to the exchequer as per the reply given by the Government in the Parliament and it was known as 'telecom scam'.

The Private Operators were given concessions by the present Government to help them for repaying their debt to the banks by extending the spectrum charge payment instalments from 10 years to 16 years and the Government is examining the issue of extending further concessions to them.

But it has not given any such concession to BSNL. It has been delaying the allotment of 4G spectrum to BSNL. It has denied providing Letter of Confidence to BSNL for taking loans from national banks to tide over the present crisis. The land and assets of DoT have to be transferred to BSNL as per the orders issued by the Government at the time of formation of BSNL. But this process remains to be done.

The goal of self-reliance in telecom equipment manufacture will suffer due to the fact that the Government cannot compel the private operators to procure dome-stically manufactured equipment. At present 80% of the equipment utilised for expanding telecom networks is imported at a cost of around Rs 50000 crores every year.

In 2010, when the 3G spectrum auction had taken place, BSNL secured spectrum in 20 of its 22 circles and the BSNL had to pay Rs. 10,187 crore to the Indian Government. The private players—Bharti Airtel, Anil Ambani's Reliance Communications, Aircel, Idea, Vodafone, Tata Teleservices and S-Tel were also part of the auction. In total, the Indian government managed to raise Rs. 67,718.95 crore from the auction, with Rs. 50,968.37 crore from private telecom operators, and rest from the state-owned BSNL and MTNL.

Though power equations changed in the Centre in 2014, the policy towards the public telecom sector has not changed. Both the Congress-led UPA and BJP-led NDA have been trying to dismantle the BSNL.

Again in March 2015, another auction for 3G spectrum had been held. Through the bid, the government had fetched Rs. 1,09,874 crore. In the auction, Idea Cellular, Reliance Telecom, Vodafone and Bharti Airtel had defended their existing spectrum holdings. But, Tata Teleservices, Uninor (Telewings), Aircel and Mukesh Ambani's Reliance Jio- which offers only 4G services- had secured additional spectrum.

The five-day-long *auction for the 4G spectrum* was in October 2016 and the current government made Rs. 65,789 crore. Only about 11% of the expected auction of spectrum worth Rs. 5.6 lakh crore had been sold. Airtel secured spectrum worth Rs. 14,244 crore, Reliance Jio got it for Rs. 13,672 crore, and Idea for Rs. 12,798 crore, among other private operators.

As the Indian telecom industry had stepped into 4G spectrum era, except the public sector BSNL and MTNL, all the services providers were allocated spectrum. When Indian telecom industry is all set to start 5G services, which is expected during the second half of 2019, BSNL is still waiting for 4G spectrum allocation. The government's stand of not allocating 4G spectrum to BSNL is clearly to help private operators.

Now, NITI Aayog, the think tank of the government, is saying that the BSNL does not need a 4G spectrum because all the private operators have it already. They are also arguing that even if it gets 4G spectrum, it won't be able to make profits.

The spuriousness of this argument can be seen in the fact that after the government was compelled to allow the BSNL to procure equipment it started making profits. Since 2012 the procurement of equipment has started and the management and employees have worked together for the upliftment of BSNL. As a result, BSNL recorded operational profit of Rs 672 crores for the year 2014-15 and Rs 3854 crores for the year 2015-16. Its loss of Rs 8234 crore in 2014-15 was reduced to Rs 4859 crore in 2015-16 and to Rs 4793 crores in 2016-17.

BSNL Chairman has made another spurious argument that "Salary expenses which constitute nearly 65% of the revenue, are dragging us down. If we had employees in a ratio similar to private players, we would be a dividend-paying company", and placated voluntary retirement scheme as a solution to the woes of BSNL that were created by the government itself.

In 2000, a large number of government workforce under DoT were shifted to the then newly-formed corporate entity BSNL with employees entitled to government pension scheme and other benefits. Now it wants shed this responsibility towards the employees by retrenching them and denying them the benefits they are entitled to. It has already started implementing this in the name of controlling expenses, and has frozen on various services availed by employees, including Leave Travel Concession (LTC) and medical facilities.

The NITI Ayog is proposing asset monetisation which only means out right selling away the landed assets that belonged to BSNL and the income thus generated would be transferred to funds of the government. Its refusal to consider the proposals by thee unions such as tower sharing, renting the infrastructure, training centres etc. will clearly show that the real intentions of the government is to finish the BSNL financially in order to sell it to the foreign telecom giants.

This is not wild charge. We are witnessing this drama for the last two decades. One recent example is that the government proposed to auction the gas and oil producing fields belonged to ONGC which deprives ONGC most of its production capacity. The government has withdrawn this proposal when faced with stiff resistance both from workers and employees as well as top level officers.

The government released some crores of money to pay the BSNL employees and gave presidential permission to raise bank loans. And immediately announced VRS and monetisation of assets. One has to see through this game plan and be prepared to resist the privatisation of BSNL – which is nothing but selling away to foreign telecom giants – while struggling to protect their jobs and job security.
