



**ALL INDIA
BHARAT SANCHAR NIGAM LIMITED
OFFICERS' ASSOCIATION**

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RAKESH SETHI**

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Dated: 05th February 2013

To

Shri R. K. Upadhyay,
Chairman and Managing Director,
Bharat Sanchar Nigam Limited,
New Delhi.

Sub: Review of tower sharing concept and introduction of safeguards – reg

Sir,

The Trade Unions and Executives Associations in BSNL were opposing sharing of BSNL's infrastructure with private players till a few years back. But the opposition got diluted with the passage of time for some reasons or the other and BSNL started sharing of its passive infrastructure, particularly its mobile towers with a view to generate additional revenue to the company.

2. After two to three years of implementation of tower sharing concept, now we feel that it is pertinent to seriously analyze as to where we stand today. The fact that the outstanding dues from leased out towers are reported to be nearly 30 crores rupees and that the collection efficiency of many Circles is not upto the mark are certainly alarming.

3. It is also an undeniable fact that although, tower sharing enables new entrants to scale-up faster, it exposes established players to the risk of market share loss. Furthermore, the challenges of monitoring network performance and quality will increase as control over network roll out and equipment maintenance decreases. We believe that it is high time that BSNL institutes a study by collecting data on the revenue earned by BSNL before sharing the tower and its revenue after leasing out the tower and calculating the resultant gain or loss in revenue in each of the shared tower.

4. Another area of concern is leasing out those towers where BSNL is the sole operator due to the cost and labour required in erecting towers in difficult terrains and hilly areas. Leasing out such towers can never be a wise decision.

5. We are of the considered opinion that, in the Indian market condition, BSNL has no competitive advantage in tower sharing and that the other operators have been proactively lobbying to pressurize BSNL to share its towers for their own business interest.

6. We therefore request that a review of the decision to share the passive infrastructure and introduction of measures to prevent revenue loss to BSNL may kindly be undertaken immediately.

With kind regards,

Yours sincerely,

(Rakesh Sethi)

General Secretary

Copy to:

Shri R. K. Agarwal
Director (CM), BSNL