



**ALL INDIA  
BHARAT SANCHAR NIGAM LIMITED  
OFFICERS' ASSOCIATION  
CENTRAL HEAD QUARTERS**

37, Laxmibainagar, New Delhi – 110023

President  
**J.K.MISHRA**  
Mobile: 9868159951

Finance Secretary  
**V.GURUMURTHY**  
Mobile: 9444979555

General Secretary  
**V.P.ARYA**  
Mobile: 9868210478

No.AIBSNLOA/CHQ/2011/06

Dated: 4<sup>th</sup> March 2011

To  
Shri S.C.Misra,  
Chairman and Managing Director,  
Bharat Sanchar Nigam Limited,  
New Delhi

**Sub: Huge revenue loss inflicted on BSNL through addenda for interconnect agreement – reg**

Sir,

While everyone is worried about the falling revenues of BSNL, addendum to Point of Interconnect agreement with various private operators has been issued by BSNL Corporate Office, which is virtually a gift to the private telecom operators and another financial blow to BSNL.

2. Through an addendum to Interconnect agreement, BSNL CO has now reduced the termination charges to be paid to BSNL by private operators like for handing over their calls to Level '1' emergency services like Police, Fire services, etc., to 20Ps per minute along with a fixed payment of Rs.10 lakhs per annum. Previously it was Re.1.20 per minute without any fixed payment.

3. According to the figures available with us, the charges to be paid by M/S Bharti Airtel for the months of October 2010 and November 2010 in respect of Andhra Pradesh, Chennai Telephones, Tamilnadu, Karnataka and Orissa Circles as per the original agreement and as per the amended agreement is provided below:

Month	Circle	OLO	Service	No of Calls	MOU (in minutes)	Amount (Rs1.20/min)	Amount (20p/min)
Oct-10	AP	Barthi	CMSP	860802	506432	607719	101286
Oct-10	CHN	Barthi	CMSP	157009	99549	119459	19910
Oct-10	TN	Barthi	CMSP	28196	22658	27190	4532
Oct-10	ORS	Barthi	CMSP	78865	52953	63544	10591
Oct-10	KAR	Barthi	CMSP	276689	171553	205863	34311
Nov-10	AP	Barthi	CMSP	763691	466772	560127	93354
Nov-10	ORS	Barthi	CMSP	75652	53651	64381	10730
Nov-10	KRN	Barthi	CMSP	249825	156889	188267	31378
Nov-10	TN	Barthi	CMSP	27194	20601	24722	4120
Nov-10	CHN	Barthi	CMSP	131273	88201	105841	17640

4. A simple calculation in respect of AP Circle, will show that Bharti CMSP was paying on an average of Rs.5 lakhs per month, ie. Rs.60 lakhs per annum. According to the addendum, it will now pay only Rs.10 lakhs + Rs.12 lakhs = Rs.22 lakhs per annum. Thus the loss of revenue to BSNL on this single count for AP circle alone and that too in respect of Bharti CMSP alone is Rs.38 laksh per annum.

5. One can easily imagine the quantum of loss that BSNL has now to undergo, if calculations are made for all Circles and for all the private operators. Further the following points are not clear with regard to the addendum.

1. It is not clear whether the private operators are to pay a single lumpsum (Rs 10 Lakh) amount both for UASL-F (i.e BSO) and UASL-FM (i.e CMSP) ? or whether separate Lump sums should be collected? If there is only one lumpsum then the quantum of loss will be further higher. In case of Chennai & Tamilnadu it will be then be considered as single circle (LSA) and the concerned OLO is going to pay only one lumpsum amount. This will also add to the loss.
2. Currently we are paying the billing ASPs around Rs.2/- per 1000 CDRs. So we may have to pay more amounts to ASP.
3. It is also not known whether this lump sum payment is applicable to all service types and all operators. Otherwise only operators like Bharti & RCL having higher MOU (minutes of Usage) will opt for it and remaining lower MOU (viz SSTL, Videocon etc) would opt to pay less than Rs.10 lakhs, at the existing rate of Re.1.20 per minute. This may lead to more loss.
4. Already instances where operators are pumping emergency traffic by translating it into it's directory number are widely reported. For example in Chennai KKNagar Tandem alone, it has been reportedly observed in one week in January 2011 that one operator had pumped around 146 calls by translating into directory number (i.e 100 to 22330160 and 22330155). So if calculations are made for all exchanges and for all

emergency numbers the count will be enormously high.

6. We would therefore request you to kindly order review of the issue by the concerned authorities so that huge loss to BSNL is avoided, at a time when increasing the revenue remains a crucial condition for BSNL to come out of the present financial situation.

With kind regards,

Yours Sincerely



(V.P.Arya)  
General Secretary

Copy to:

1. Shri K.S.Guliani,  
Principal General Manager (Regulation),  
BSNL CO, New Delhi
2. Shri Kapil Sibal,  
Minister of Communications & IT,  
Govt of India, New Delhi.
3. Dr Manmohan Singh,  
Prime Minister of India.