



**ALL INDIA
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OFFICERS' ASSOCIATION**

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No.AIBSNLOA/CHQ/2010/39

Dated: 12th July 2010

To

Shri Manmohan Singh,
Hon'ble Prime Minister of India,
South Block
New Delhi 110 001.

**Sub: Request for refund of 3G & BWA Spectrum charges paid by
BSNL – reg**

Hon'ble Sir,

We hereby seek your kind intervention in a very important issue which is having serious impact on the BSNL's Financial position which is already in a very bad shape.

2. Your concern over the deteriorating financial position of BSNL is well known, particularly after constitution of a high power Committee by you which was headed by Shri Sam Pitroda to look into the issue and suggest measures required to be adopted for revamping BSNL's financial position. We had also welcomed some of the positive recommendations of the Committee vide our letter addressed to you (copy enclosed), but these recommendations appear to have been now put in cold storage.

3. Meanwhile auction process for 3G and BWA spectrum was over last month and now BSNL had to match the highest bid in each Circle, which amounted to Rs.10,186.58 crores for 3G spectrum and another Rs.8313.8 crores for BWA spectrum. BSNL has duly paid these amounts from its reserve funds which caused depletion of its already shrinking fund to an alarming position.

4. Unlike private operators, who made informed commercial bids based on their respective business plans, BSNL was allotted 3G spectrum in all its service areas without being given any choice in the matter. Thus, all the other operators are paying much less in absolute

terms than BSNL for 3G spectrum. Excluding Delhi and Mumbai, Bharti is paying Rs 5,731 crore, Vodafone Rs 5,054 crore, Aircel Rs 6,499 crore, Reliance 2,021 crore, Tata Rs 5,864 crore and Idea Rs 5,769 crore.

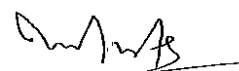
5. It is needless to emphasize that BSNL does a lot of work in the rural and remote corners of the country that no other private telecom operator does and also BSNL is always implementing the Government's Social obligations without looking into commercial gains. Thus, BSNL need not be equated with other Private Operators which are always after profits and having no concern for social commitments.

6. The CMD BSNL is reported to have already written to DoT requesting refund of the above spectrum charges. Hon'ble Minister of Communications and IT is also reported to have taken up the matter with Hon'ble Finance Minister requesting to refund the spectrum fee paid by BSNL and MTNL in view of their social commitments of providing connectivity to villages and far-flung areas. It is also reported that the Cabinet will be taking a decision on this issue shortly.

7. We, therefore, request you to kindly bestow your personal attention to this issue, and order full refund of the 3G and BWA spectrum charges paid by BSNL at the earliest, to enable BSNL to continue to serve the rural and remote sections of the country, and thus keeps up the Government's commitments, which no other private operator will ever do. Further, BSNL was compelled to pay the charges for all the Circles without having an option to choose the Circles i.e. it was not given an informed choice which was exclusively made available to the private operators at the time of bidding. This is a gross injustice which was meted out BSNL.

With kind regards,

Yours sincerely,



(V.P.Arya)
General Secretary

Copy to:

1. Shri Pranab Mukherjee,
Hon'ble Minister of Finance, GOI
2. Shri P.Chidambaram,

Hon'ble Minister of Home, GOI

3. Shri Vilasrao Deshmukh,
Hon'ble Minister of Heavy Industries & DPE,
4. Shri A.Raja,
Hon'ble Minister of Communication & IT, GOI
5. Kum. Mamata Banerjee,
Hon'ble Minister of Railways, GOI