



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

**KEY NOTE ADDRESS**

**BY**

**SHRI RAKESH SETHI, GENERAL SECRETARY, AIBSNLOA  
IN THE OPEN SESSION OF CENTRAL WORKING COMMITTEE MEETING  
HELD AT NEW DELHI ON 30<sup>TH</sup> SEPTEMBER 2013**

It is a matter of great pride and privilege for us to have such a distinguished gathering in this Open Session of the Central Working Committee meeting of All India BSNL Officers' Association. Our Association represents the devoted, truthful, sincere and hardworking Executives, belonging to all disciplines of Telecom, who are relentlessly fighting against all odds to extend satisfactory services to the customers and also for development and day-to-day maintenance of BSNL's vast telecom network spread over every nook and corner of the country. We represent a sizeable section of Executives of Bharat Sanchar Nigam Limited in the whole country.

**2.0** AIBSNLOA has been in existence for a mere five years, formed in the year 2008 by those Executives who were genuinely concerned with the deteriorating conditions in BSNL and wanted an organization which will protect the interests of BSNL as well as of its Executives. Initially AIBSNLOA was looked at with contempt by vested interests, with skepticism by dejected Executives and with ridicule by a section of the administration. But today, AIBSNLOA has come to stay as a strong force that cannot be overlooked. AIBSNLOA is respected by all Executives irrespective of their affiliations, as the one Association which is sincerely pursuing all issues of importance to the Executives as well as issues of importance for survival and growth of BSNL. **AIBSNLOA's strength has been thinking different and acting different.** AIBSNLOA analyses any order or report carefully and expresses its distinct and honest opinion highlighting both positive and negative aspects and puts forwards useful solutions to resolve negative aspects. We go through every aspect of the issue and objectively analyse them before forming any opinion. **Our approach has always been constructive and positive.** Our constructive approach, decent presentation of our views, strength of our arguments based on facts and rules and non-rhetoric display of the outcome have earned a unique place in the hearts of the BSNL Executives. Our CHQ website stands tall among the other similar websites, in viewership, transparent reporting and the decent language. Therefore, we are aware that AIBSNLOA's views on various issues are keenly observed and appreciated by the BSNL Management and the Circle Administrations as well.

**3.0 BSNL** has been making loss from the year 2009-10 inviting more than justified hue and cry both within and without. Media has been doling out figures now and then on BSNL's financial results deliberately driving an impression among all the stakeholders that BSNL is a sinking ship. Our own people happily go around yelling out warnings about the future of BSNL. All of them forget that BSNL is not alone in the loss making category during the past few tumult years of Indian Telecom history. All the private operators have been facing a downtrend in their profit graph, due to the cut throat competition witnessed after the then Telecom Minister gave away new licences in the year 2008. The newcomers, in the absence of any other strategy, offered rock-bottom tariffs. As the market was close to saturation, their objective was to wean away customers from the existing operators. The incumbents too, left with no option, had to drop tariffs. Everyone bled. Profit margins got squeezed, some even had to book losses and telecom stocks went into a free fall. This was a result of too many operators in the

field. It has been a world-wide experience in Telecom that only three to four operators can survive and beyond that number, there has always been trouble. **BSNL was affected most, due to other reasons also.**

**4.0** This can be mainly attributed to the fact that BSNL was not allowed to expand for almost six years in a row, with tenders for purchase of equipment being cancelled for one reason or the other. It is needless to say 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. BSNL has not been adequately compensated for these loss making services. Then, BSNL had to cough out around Rs.19000 crores for 3G and BWA spectrum. 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. In the case of WiMax also, BSNL was allotted the non-standard spectrum, which appears to be a deliberate act. Apart from these, BSNL's weak marketing strategy, cumbersome tariff plans, failure to assess customer response and thereby wrongly withdrawing customer-friendly schemes, non-availability of important network components & stores, absence of firmness in dealing with unruly vendors who dictate terms to us without fulfilling the terms and conditions in the agreement, defective procurement policy where unnecessary items are purchased and left unutilized are a few of the reasons which have hampered BSNL's growth considerably.

**5.0** The first signs have now begun to emerge that the industry is coming out of the binding squeeze. Almost four years after savage tariff cuts, the telecom sector is slowly limping back to normalcy. The market eased a bit early last year when the Supreme Court ordered all the 122 telecom licences issued during 2008 to be cancelled over allegations of impropriety in their allotment. Since then, many of the new players have exited the market. For a year-and-a-half now, operators have been raising tariffs as well as revising free offers, in the name of "tariff rationalization". The impact of this showed the revenue per minutes increased for most of the operators in the last quarter. Telecom industry is hoping for consolidation. We believe that in a few years, India will have five to six service providers at National level and two or three regional operators. This will result in a more orderly, less chaotic industry.

**6.0** In the Memorandum of Understanding signed between BSNL and DoT for the year 2012-13 as well as for the year 2013-14, the Government has committed to assist BSNL in the matters of Re-imbursement of deficit on account of commercially non-viable services, Refund of upfront BWA spectrum License fee, Issue of a short loan which has been requested by BSNL for an actual loan of Rs 15000 crores for 10 years with a moratorium of 5 years, Centre/State Governments and PSUs should give priority to BSNL for their telecom service requirement and payment of pension contribution by BSNL on actual pay drawn instead of maximum of the pay scale etc. We have been continuously taking up the matter with DoT, requesting implementation of the commitments within a time frame.

**7.0** Meanwhile Government of India constituted a Group of Ministers under the Chairmanship of Finance Minister P.Chidambaram in April 2013 tasked with looking at ways to revitalise BSNL and MTNL. "The GoM will, keeping in inter alia in view national and strategic interest, consider and recommend measures that could be taken in the short, medium and long term for revival and revitalisation of BSNL and MTNL," said the official note from the Cabinet Secretary, on the formation of this panel. AIBSNLOA wrote to the Chairman of the GoM calling his attention towards the MoU between DoT and BSNL and requesting him to ensure that the commitments in the MoU are implemented with all seriousness. In addition, we drew his attention towards the urgency in settling the issues of granting autonomy to BSNL in decision making, payment of electricity

charges by BSNL under industrial tariff instead of commercial tariff and payment of service tax by BSNL on the basis of bills realised instead of on the basis of bills raised.

**8.0** The DoT in its presentation to the GoM had indicated that the cash reserves of BSNL depleted to the tune of Rs.18000 crores due to the purchase of BWA and 3G spectrum at auction-determined price in 2010. The revival plan proposed by DoT included support of Rs 10,117 crore for retaining airwaves by BSNL and MTNL beyond the initial quantity that was allocated to them for mobile and other wireless services, and simultaneously refunding of money paid for BWA spectrum. DoT had also pitched for preferential treatment to the services of BSNL and MTNL in government and PSUs. Besides, it was in favor of waiving notional loans on BSNL books. However in its meeting held on 12.9.2013, the GoM is reported to have agreed only to refund of the money paid by the state-run players for surrendering BWA spectrum worth more than Rs 11,000 crore and partially meeting pension expenses of MTNL.

**9.0** AIBSNLOA believes that the survival and growth of BSNL is important not only to its employees but also is vital for the entire country. BSNL as a Government owned PSU acts as a safeguard against exploitation of the customers by the private operators. That is why every one of us, both as an Executive of BSNL as well as a citizen of India, has to strive for continued existence and betterment of BSNL. If the government continues to use BSNL only as an instrument to provide connectivity in loss-making avenues which the private operators do not want to explore, it will be difficult to revive the company. If the Government really wants BSNL to be a profit making company, it has to lift all Government controls and allow BSNL to function with full autonomy.

**10.0** It is really heartening to note that the present BSNL Management, comprising determined and dynamic leaders as the CMD, Directors and General Managers, is taking all long term initiatives to see BSNL regaining its profit making status by the year 2018. We have been always suggesting that BSNL should abandon the crisis management mode and work towards long term remedies. It is a welcome sign that the present BSNL Management, instead of taking decisions to show immediate results in their own term, which are likely to fade away in the thin air, are devising long term plans that may not show instant results but will ensure the well being of the organization in the future. But certain urgent and short term initiatives are also required.

**11.0** In CM segment implementation of plans like expansion of mobile network are underway. In CFA plans like replacement of TDM based switch by NGN, expansion of FTTH and setting up of WiFi spots are some of the plans which are being carried out to retain our leadership in landline sector. Increasing efforts are being put into operation for expanding our Enterprise Business and improving Leased Line maintenance.

**12.0** The future lies in **Data and VAS**. Data-usage customers have a higher ARPU than that from voice customers, so it improves overall revenues. Data revenue is expected to go up from 6% to 18% in the next few years. India has about 15 million broadband customers compared to about 900 million voice subscribers, thereby underlining the potential of data growth. According to available details, BSNL's Market share in Landline is 66.64%, in Broadband it is 65.48% and in Wireless 13.03%. It shows that BSNL's strength lies in its landlines and the Broadband which in turn depends on the quality of the landlines. Surrender of landlines has been continuing for years now, but surrender of broadband connections is causing alarm. In the last quarter, 3, 03, 490 broadband connections have been surrendered while only 3, 23,228 have been added, the net addition being just 19,738. Surrender of broadband connections is largely attributed to bad quality of the copper pair resulting in low speed, frequent disconnections and failures. In many places we are not able to provide broadband on demand due to non-availability of cable pair. Pathetic situation prevails in the field units where line stores are not available for repair and maintenance of cables.

Funds are not made available under repair and maintenance head. We have reports of our field level Executives spending from their own pockets for months together for restoring faulty landlines. Refusing funds for even maintenance activities in the name of financial crunch will not be advisable when it is related to growth of broadband which is our strength. Separate teams to survey and locate faulty cables, repairing and restoring the pairs and thus revitalizing the external plant is an important area to be focused upon, since not only broadband but our leased circuits also require healthy last mile copper pairs.

**13.0** The Mobile VAS market is expected to grow at a compound annual growth rate of 25 per cent to reach \$9.5 billion in 2015 from an estimated \$4.9 billion in 2012. It is time for BSNL to foray into the mEducation, mEntertainment, mFinance and mHealth application areas which provide key opportunities in on-demand music and video content and live TV shows and events, interactive English Language Learning Services, Competitive Examination Preparation Solutions, Tutor-on-call and Vocational training, Remote Diagnostics, Chronic Disease Management and Maternal Care. Increased smart phones adoption and growing mobile internet penetration will further the growth of MVAS market.

**14.0** In a recent letter addressed to some Executive Associations, BSNL management has lamented that “while employee benefits in terms of financial upgradation on time bound basis has been granted in BSNL, desired outcome in terms of excellence in individual’s performance leading to overall better organizational performance, has not been achieved. EPP gives pay scales of higher grades virtually to all at regular intervals because of lenient performance bench marks. This has in some ways contributed to declining performance orientation in the organization besides diluting the excitement and punch of functional promotions.” Many studies on HR have revealed that the way staff are managed has an impact on employment commitment and in turn, the quality, profitability and productivity of the company and that employee commitment is affected by a number of factors which include job satisfaction, recognition and appreciation from managers other than remuneration. Mere increase in remuneration will not have the desired result, unless the individual feels that a trust has been placed on him, his work is duly recognized and appreciated. That is why AIBSNLOA, from the beginning has been emphasizing grant of time bound functional promotion. Also, it cannot be said that the financial upgradation performance bench marks are lenient when compared to the bench marks specified for functional promotion to senior management levels. AIBSNLOA is not against performance related incentives including promotion, but the problem lies with the method of assessing the performance which still remains subjective. The dilution of the excitement and punch of functional promotions is not due to ‘no increase’ in remuneration, but due to decrease in remuneration consequent to posting outside the circles and due to family circumstances and personal health in the advanced age. Let us not underestimate the agony of the officers who had to decline their promotion three years back due to such circumstances and again are facing the same fate. I request the Management to have a fresh look into this issue concerning Chennai Telephones and a few others so that they are not put into disadvantage vis-à-vis their counterparts in other circles.

**15.0** We would also like to point out that the Management should see the genuineness and rationale behind any issue rather than seeing who has raised the issue. A vocal section of the Executives should not be allowed to put spokes in settlement of important and genuine problems. The issue of grant of E2 and E3 scales to JTOs/SDEs and their equivalents, pension to BSNL’s recruited staff and allowing arrears on revised fitment benefit of 78.2 w.e.f 1.1.2007 need to be settled some day or other and settling them now will definitely reflect on the employee commitment mentioned above.

**16.0** The other HR issues which need immediate attention by the Management are removal of anomalies arising out of BSNL promotion policy and subsequent clarifications

on the subject, regular appointment as JTOs – case of TTAs who are being exploited for years together as officiating JTOs, amendment to BSNL MS RR allowing promotion of diploma-holding SDEs of Civil/ Electrical wings as EEs, grant of SDE scale to Rajbasha Adhikari and grant of benefit of second ACP irrespective of qualification up to 01-10-2004 in Civil/ Electrical wings.

**17.0** While I thank you all for giving me a patient hearing I would reaffirm our resolve to continue our relentless efforts to draw the attention of the BSNL Management as well as the Government towards the issues affecting the financial viability of BSNL so as to remove the obstacles on the path of BSNL's revival. We know that persistence always pays. With deep conviction, we believe that BSNL will retain its position as number one in fixed line, broadband and leased line services and improve its position in wireless services. Let me conclude with a famous quote:

**“No matter what you're going through, there's a light at the end of the tunnel and it may seem hard to get to it but you can do it and just keep working towards it and you'll reach there.”**

Thank you all!

(RakeshSethi)  
General Secretary