

Unfair to mandate homegrown 4G equipment for BSNL as Airtel, Jio deploy Huawei, Ericsson, Samsung gear: AUAB to PMO

The development has come close on the heels of show cause notices by the Department for Promotion of Industry and Internal Trade (DPIIT) and the Department of Telecommunications to BSNL on putting restrictive conditions in a bid document issued on March 23 for the procurement of fourth-generation or 4G gear.

Muntazir Abbas, ETTelecom, Updated: May 07, 2020, 08:45 IST



NEW DELHI: A coalition of Bharat Sanchar Nigam Limited (BSNL) employee groups said that it would be incorrect for the Centre to mandate homegrown equipment deployment in state-run telecom carrier network while private telcos such as Bharti Airtel and Reliance Jio continue to procure gear from multinationals

including Huawei, Ericsson, Nokia, and Samsung.

In a letter to Prime Minister Narendra Modi dated May 5, seen by ETT, the All Unions and Associations of BSNL (AUAB) said, "It will be unfair to direct BSNL alone to buy local 4G equipment, which is largely untested, while letting the private players provide services with equipment supplied by global giants like Nokia, Ericsson, Huawei, and Samsung.

The development has come close on the heels of show cause notices by the Department for Promotion of Industry and Internal Trade (DPIIT) and the Department of Telecommunications to BSNL on putting restrictive conditions in a bid document issued on March 23 for the procurement of fourth-generation or 4G gear.

The letter from the BSNL unions' group has further intensified a tug of war between homegrown companies and multinational vendors with the former alleging bias by the public-sector telecom carrier in floating the tender in a way to debar local companies.

Reliance Jio, Bharti Airtel and Vodafone Idea, according to the AUAB, are procuring next-generation equipment from any domestic vendor, but only from multinational

companies since they don't have the world-class 4G gear and their products are not tested.

The confederation further said that BSNL should not be forced to buy 4G equipment under Make in India policy since its competitors continue to deploy networks based on proven technology from multinationals.

Earlier, the Delhi-based Telecom Equipment Promotion Council (Tepc) said that the state-controlled company had done a "very serious violation of public procurement policy" of 2017, and no domestic company was ever consulted before floating the tender that could be disastrous to Centre's ambitious Make in India program.

Former telecom secretary Shyamal Ghosh-headed group has also raised security concerns in procuring gear from multinationals especially companies of Chinese origin while AUAB termed it as a flawed excuse.

The BSNL groups, however, blamed the lobby group of homegrown companies for derailing the BSNL's launch of commercial next-generation services and said that attempts were made to scuttle BSNL's 4G equipment procurement, and the telco couldn't afford further delay.

In October last, the Cabinet had approved a rescue plan for BSNL and Mahanagar Telephone Nigam Limited (MTNL) with the allocation of the 4G spectrum was one of the key ingredients to revive the financially-strained operators.

Following allegations of flouting the Make in India policy, the tender for new 7,000 4G sites for MTNL, a BSNL sister company that operates in Mumbai and Delhi, is put on hold until further direction from the Centre.

Meanwhile, a source in the state-driven telco said that BSNL was open to revising tender conditions in accordance with the policy, and would conduct a discussion with stakeholders to address their grievances.

However, the BSNL Board has approved the purchasing of equipment from Chinese ZTE and Finnish Nokia for the "proprietary up-gradation" of as many as 49,300 2G and 3G sites to fourth-generation (4G) as the state-run carrier seeks to take the fastest route to offer next-generation services.

On March 23, the state-owned operator has come out with tender inviting bids from telecom equipment makers for up-gradation of 50,000 sites under the phase -IX expansion in addition 7,000 new sites at a cost of Rs 9,300 crore, and the telco has last month extended tender opening date to May 25.