

On Revival of BSNL in the changed scenario in telecom sector

In view of the ever increasing requirement of data, digitalisation of telecom networks and services has become a priority. Recognising this, the present Government has named its telecom policy as "National Digital Communications Policy 2018".

The huge debt burden of Rs 7 lakh crores faced by the private operators and the entry of Reliance Jio with 4G services with lowest tariffs has resulted in consolidation in telecom sector. Today there are only 4 telecom services companies -Vodafone Idea (formed on merger of Vodafone & Idea), Airtel, Reliance Jio and BSNL/ MTNL. All other operators have exited or were acquired.

Modi Government has helped this consolidation by (a) increasing the yearly instalments for payment of spectrum price from 10 years to 16 years and (b) increasing the spectrum cap per operator in a circle from the current 25% to 35%. This helped mergers/ acquisitions so that the combined spectrum will not cross the ceiling limit. These concessions are not applicable to BSNL.

The National Digital Communications Policy 2018 proposed to rename Telecom Commission as "Digital Communications Commission". It envisages 3 missions-(a) "Connect India" for creating robust digital communications infrastructure and to promote broadband for all (b) "Propel India" to go beyond 4G and to harness the power of emerging digital technologies like 5G, AI(Artificial Intelligence), IoT, Cloud, Big Data and to catalyse the 4th Industrial revolution (Industry 4.0) and (c) "Secure India" to ensure sovereignty, safety and security of digital communications. The policy aims at a huge fibre network and to fiberize towers and to provide fiber to home broad band connections in large scale.

This policy further proposes to shower several concessions to private telecom companies in the name of encouraging huge investments for digitalising telecom networks & services and ever upgrading technologies. But it has not given due importance to BSNL, MTNL and other Telecom PSUs. This policy envisages unbundling of different layers(infrastructure, network, services and applications layer) through differential licensing indicating fragmentation and privatisation.

In spite of continuous losses since 2009-10 onwards, BSNL could survive and remain a PSU owned 100% by Government without any disinvestment. This was due to the continuous united struggles by employees against the wrong policies of successive Governments. This struggle also resulted in obtaining some concessions to BSNL from Government. The various calls from Unions/ Associations for improving services and sales helped in improving the performance of BSNL. In spite of lack of 4 G spectrum and facing severe competition, BSNL increased its wireless customer base from 10.1 crore in March 2017 to 11.6 crore in March 2018.

As on 30.6.2018, Vodafone Idea, Airtel, Reliance Jio and BSNL had customer base of 44.35 crores, 37.7 crores, 21.5 crores and 12.5 crores respectively. Accordingly their market share is 37.9%, 32.2%, 18.42% and 10.6% respectively.

While there was a trend of increase in BSNL's revenue in spite of losses, it was effected due to the steep fall in tariffs after the entry of Reliance Jio. Due to this, the revenue of BSNL has declined by 24% during the period April 2018 to September 2018 compared to the same period in 2017. It is to be noted that during the quarter ending with June 2018 the revenue of BSNL has decreased by 25%, where as in the case of Airtel, Vodafone and Idea the decrease is more, at 32%, 36% and 39% respectively. But the trend of falling tariffs cannot go on indefinitely and the tariffs are likely to be increased after March 2019. Thereafter the revenue of BSNL will increase. If 4G spectrum is provided to BSNL, it will help in considerable increase in its revenue.

In view of the ever increasing digitalisation of networks and services and tremendous increase in data requirement, the revival of BSNL as a profit making PSU depends on expanding and upgrading its network for extending 4G services and be ready for 5G, IoT, satellite communications etc. It has to expand its fiber network. At the same time BSNL has to be strengthened for preventing the cartelisation of private operators for increasing tariffs as well as an instrument in the hands of Government in extending the services to loss making areas and also to secure the communications.

Our demand for 4G spectrum to BSNL is being actively considered by the Government. The Minister has told in the Parliament that out of the cost of Rs 13885 crores for 4G spectrum, the Government is considering the proposal of BSNL management for treating Rs 6652 crores as equity infusion. Remaining has to be born by BSNL. This Central Executive Committee meeting of BSNL Employees Union held at Ghaziabad on 22-23 October 2018 demands immediate provision of 4G spectrum to BSNL.

Accepting our demand for allowing BSNL to pay pension contribution on basic pay instead of maximum on pay scale will result in saving of around Rs 700 crores per year. The Minister has assured to settle this issue. This meeting demands for implementing this assurance. This meeting further demands the Government to provide necessary financial help to BSNL to expand its fiber network and to make it ready for 5G, IoT (Internet of Things), AI (Artificial Intelligence), cloud, big data and other emerging technologies proposed to be introduced in the near future in India. This meeting demands the Government to recognise BSNL as a priority PSU and take measures to strengthen it and to drop the proposed unbundling of telecom companies for fragmenting them into infrastructure, net work, service etc with different licenses. This meeting call for strengthening united struggles to achieve the above demands.

The call given by AUAB (All Unions and Associations of BSNL) to all employees for increasing the sales and revenue of BSNL by implementing the program "BSNL at your Door Steps" is endorsed by the management on 24.9.2018 along with the Head of Circles conference for involving CGMs in successful implementation of the program. Separate Committees are to be formed consisting of employees at District/ Circle level for intensifying marketing of FTTH, broadband, leased lines and mobile connections. Each employee has to dedicate at least one day in a week for marketing activities. This meeting calls upon each and every employee to heart fully participate and make this program a grand success.

AUAB has called upon all employees to help in curtailing the wasteful expenditures. In the meeting held between the management and AU AB leaders on 09.05.2018, the following decisions were taken for curtailing wasteful expenditures, based on the suggestions given by the Unions/ Associations:

Electricity.

A State level Committee will be formed to decide on

- (a) Closure/ merger of all telephone exchanges with low DELs.
- (b) Space audit to minimise utilisation of electricity.
- (c) Scrapping of obsolete electrical appliances (d) Analysing electricity bills according to load factor in each exchange.

Expenditure on vehicles.

- (a) Agreement with OLA/ UBER for administrative offices.
- (b) Exploring car pooling facility

Security.

DGR security guard to be withdrawn by engaging watch and ward staff.

Besides the above measures, our Union has submitted a detailed note to the CMD vide letter No. BSNLEU/604(Dev) dated 03.05.2018, suggesting several measures for curtailing wasteful expenditure. All such proposals for curtailing wasteful expenditure have to be considered and implemented.

This meeting appeals to all employees to carry forward and strengthen the struggles for achieving policy changes from Government for reviving BSNL.

This meeting emphasises the necessity for improving marketing and sales of BSNL services and for curtailing wasteful expenditure for helping in the revival of BSNL. This meeting therefore appeals to all BSNL employees to participate in "BSNL at Your Doorsteps" and in the program for curtailing wasteful expenditure.