

Revive BSNL at the earliest

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The Centre should quickly take a decision on reviving Bharat Sanchar Nigam Ltd. It is unfortunate that despite the issue being discussed at the highest level of Government no concrete roadmap has been formalised.

The Centre must step in to do five things immediately. First, divest all the real estate land parcels owned by the company and invest the proceeds into buying all the technology and equipment to make BSNL at par with private players. Second, implement the proposals made by the Pitroda committee especially those related to cutting down staff costs and hiving off various businesses into different verticals. In this regard, the Centre can study how British Telecom, once a struggling PSU in the UK, was turned around. Third, the tendering process to buy equipment needs to be relaxed. It should be open to public scrutiny but in a hyper-competitive market like telecom, procurement and investment decisions are key to survival. Fourth, customer aspiration is very high so BSNL should be given 4G and 5G spectrum immediately. Finally, remove all political interference and appoint strong independent management to run the company. This will not only secure the future of BSNL but also ensure that affordable digital services reach every nook and corner of the country.

Already, BSNL has suffered due to the years of indifference and lack of political will. From making a profit of Rs 10,183 crore in 2004-05, BSNL's profits had nose-dived 81 per cent by 2009. The telecom company has posted a cumulative EBIT loss of Rs 82,000 crore between FY2009 and 2018. There are many dubious decisions made during that period that has led to the telecom operator's downfall. While private operators could buy equipment on demand, BSNL has had to go through a slow tendering process which often delays the procurement of key network equipment by years. The Centre has also not been fair in allocating spectrum to the PSU. In the 2010 spectrum auction, while private players who won broadband spectrum were given airwaves in the 2.3 GHz band, BSNL was offered bandwidth in the 2.5 GHz band, which was untested globally for 4G services.

Despite the odds being stacked against it BSNL continues to be relevant for a large customer base across India who have been ignored by the private players. While many argue that BSNL should be privatised or even shut down, there is no doubt that the PSU offers a viable counterbalance to have some semblance of competition. The highly leveraged balance sheets of private operators could force them to slow down the rollout of next-generation data networks to rural and economically unviable areas in the country. In this context, it is important to have a strong public sector telecom company which will not only prevent the private players from increasing tariffs as an easy means to wriggle out of the financial stress but also ensure that even rural consumers are catered to.

There is above all a strategic value to having a publicly owned telecom utility in times of apprehensions over cyber security and data espionage.

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