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Press statement

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BSNLEU's views on the Revival Package announced by the government.

The Cabinet, in its meeting held yesterday the 27th July, 2022, has approved the 2nd Revival Package for BSNL. Through the Press Information Bureau statement, the government has informed that, Rs.1.64 lakh crore would be spent for the Revival of BSNL.

An important component of the Revival Package announced yesterday, is the allotment of 4G spectrum to BSNL, for which the government will spend Rs.44,993 crore. Already in the 1st Revival Package announced on 23rd October, 2019, the government had stated that, it would spend Rs.23,814 crore for the allotment of 4G spectrum to BSNL. Again, in February, 2022, the Hon'ble Finance Minister announced in her Budget speech delivered on the floor of the Parliament stated that, Rs.44,000 crore would be spent for BSNL's technology upgradation. Now, in the 2nd Revival Package, it has been stated that, the government would spend Rs.44,993 crore, for the allotment of 4G spectrum to BSNL. If we add together, all the allotments / announcements made by this government, for the allotment of 4G spectrum to BSNL, it comes to a staggering Rs.1,12,807 crore.

From the repeated announcements of the government, a wrong message is being unflinchingly sent to the general public of this country that, a huge amount of tax payer's money is being squandered for the revival of BSNL. We are at loss to understand, why the government is sending such a wrong message? In reality, the government has not spent / is going to spend even a single penny from the tax payer's money, for the allotment of 4G spectrum to BSNL. Spectrum is available in abundance in nature and the government is only allotting a portion of it to BSNL, for which it is not going to pay any money to anyone.

The 1st Revival Package to BSNL, announced by the government on 23rd October, 2019, still remains on paper. The only thing that the government has done as per the 1st Revival Package is, retrenching 80,000 employees through the VRS. The announcement of the government that 4G spectrum would be allotted to BSNL, still remains on paper. This is because, the government did not allow BSNL to make use of that 4G spectrum.

To stop BSNL from launching its 4G service, the government has created two big road-blocks. The first road-block was the denial of permission for the upgradation of BSNL's already existing equipments. BSNL is having around 50,000 3G BTSs, which could be converted into 4G BTSs, through software upgradation. But, the government denied permission for this. Had this upgradation been allowed, BSNL could have launched its 4G service at the pan-India level, at least 2 years back.

The next road-block created by the government is the denial of permission to BSNL, to procure its 4G equipments from global vendors, as is being done by the other private telecom operators, viz., Airtel, Reliance Jio and Vodafone Idea. In March, 2020, BSNL floated a tender to procure 50,000 4G BTSs. However, government forced BSNL to cancel this tender and directed that, BSNL should procure its 4G equipments only from Indian vendors and not from global vendors. Now, TCS has been identified to supply 4G equipments to BSNL. But, till date TCS has not been able to prove that it is having the requisite technology to supply 4G equipments to BSNL.

Today, even for the launching of their 5G service, all the private telecom companies have already taken steps to procure their equipments from global vendors, viz., Nokia, Ericsson and Samsung. The denial of level playing ground to BSNL has been done intentionally by the government, to stop BSNL from launching its 4G service.

In the telecommunication sector, technology changes speedily. Unless BSNL upgrades its technology on time, it will be difficult for it to compete with private telecom companies. All the private telecom companies are in the verge of launching their 5G service. However, it is greatly disappointing that, nothing is mentioned about BSNL's 5G launching in the Revival Package announced yesterday.

It is stated in the Revival Package that, over a period of 4 years, the government will pay Rs.22,471 crore for the capital expenditure of BSNL. It is pertinent to state here that, the government has to repay Rs.38,540 crore to BSNL, the details of which are given in the annexure. The unions and associations of BSNL have already organised many agitations demanding repayment of this money to BSNL. Thus, the Rs.22,471 crore which will come from this Revival Package, is lesser than the dues that the government has to pay to BSNL.

Year after year, the government is fleecing extra money from BSNL, in the name of payment of 'Pension Contribution'. This is an important factor, which is impacting the financial condition of BSNL. The employees absorbed in BSNL from the DoT, are entitled for government pension, for which BSNL has to pay Pension Contribution to the government every year. This Pension Contribution is being calculated on the maximum of the pay scale of BSNL employees, whereas in the case of the rest of the Central Government employees, the Pension Contribution is being collected, on the actual basic pay. The unions and associations are continuously demanding, that the fleecing of extra money from BSNL, in the name of Pension Contribution should be stopped and that the money already collected in excess, should be refunded to BSNL. But, nothing is mentioned in the Revival Package about this.

It is also announced in the Revival Package that, the government would provide Rs.13,789 crore to BSNL as "Viability Gap Funding". What is this "Viability Gap Funding? BSNL is providing services on behalf of the Government of India, in the backward and far flung areas of the country. These projects are commercially unviable for BSNL. Hence, whatever loss incurred by BSNL, in carrying out this service, should be compensated by the government. This Viability Gap Funding, for the period from 2014-15 to 2019 comes to Rs.13,789 crore. Repayment of this amount to BSNL, has become overdue. The unions and associations have organised agitations, demanding reimbursement of this money. Now, reimbursement of this money to BSNL, is also being shown as a component of the Revival Package, which is not correct.

As per the Revival Package, the government will give Sovereign Guarantee to BSNL to raise Rs.40,399 crore, through bonds to be issued in the market. This will help the Company to overcome its financial crisis. At the same time, it is also relevant to mention that, this entire Rs.40,399 crore, and the interest thereon, will have to be repaid by BSNL and it is not going to be repaid with the tax payer's money.

Annexure:

Details of the refund to be made by the government to BSNL.		
		Rs. in Crore
1	Viability Gap Funding for Rural Telephony @Rs.1250 Crores per FY since 2014-15 onwards	13,789
2	Interest on Wimax Spectrum Surrendered	5,850
3	Surrender of CDMA Spectrum	2,472
4	Refund of Excess paid Pension Contribution	1,996
5	Government Projects – NOFN (BharatNet)	1,051
6	LWF Project	380
7	Providing Building/Office space/Staff quarters etc., to DoT	320
8	Providing Telecom Services to DoT	282
9	Staff related claims i.e., Salary of BSNL staff working/worked in DoT, Loans & Advances paid by BSNL to unabsorbed employees of DoT, Leave salary paid to DoT employees (unabsorbed) & LSPC paid during Leave period etc.	225
10	Reimbursement of Leave Encashment against DoT period in respect of absorbed employees.	11,998
11	Claims from USOF w.r.t. A&N, Lakshadweep, Assam	30
12	25,000 Wi-fi Hotspot Project	131
13	Viability Gap Funding for Amarnath Yatra	16
	Total receivable =	38,540



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