

MTNL EXECUTIVES' ASSOCIATION

CENTRAL HEAD QUARTERS, NEW DELHI

[Affiliated to National Confederation of Officer's Associations of Central Govt. PSUs (NCOA)]

CORRESPONDANCE
TO
GENERAL SECRETARY



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MEA/CHQ/PM/Delhi^o/1

DATE : 3/7/10.....

To
Shri Manmohan Singh Ji
Hon'ble Prime Minister of India
Govt of India
New Delhi.

Subject: MTNL is about to collapse because of Govt policies---Personal intervention of Hon'ble PM is solicited to save MTNL by resolving pension issue at par with BSNL and refund of 3G & BWA spectrum charges of Rs 11000 Crore back to MTNL.

Respected Sir,

MTNL is serving nation as PSU for last 25 Yrs. In these years MTNL has played a vital role in socio-economic development of the country. MTNL has been providing excellent telecom services to the esteemed customers of two capital cities of India. Because of strong presence of MTNL in Delhi & Mumbai, the heavy call charges by private operator in mobile services could be controlled in the year 2000 when MTNL entered in mobile services. Before the entry of MTNL in mobile services, One private telecom company was charging Rs 18/- per minute. But, when MTNL entered in 2000 in mobile services in Delhi & Mumbai, the call charges drastically reduced to Rs 2/- per minute. This is the glaring example to justify the need of strong presence of public sector Company to keep control over the market.

Sir, your good self has appreciated the role of PSUs in maintaining the strong economy of India during the global recession in past years. We fully appreciate your economic policies, ideas and vision to make India as a developed country. But, it can be achieved only with strong presence of Public Sector units, so that level playing field can be maintained between public sector and private sector to ensure rapid growth of the country.

After the corporatisation of telecom services in two metro cities i.e Delhi & Mumbai, MTNL has paid more than Rs.40000 Cr to Govt in one form or other. And MTNL has been discharging all govt and social obligation on all fronts. MTNL is the Govt face in telecom sector in political & commercial capitals of India. MTNL is one of NAVRATNAs of Govt of India.

Still such an important PSU is now mercilessly being massacred by wrong decisions of Govt. 50 thousand employees and officers are now finding themselves helpless in protecting their beloved company for which they have spent their whole life to earn their bread and butter. Employees can only shed their blood and sweat to grow and run the services smoothly, which they are doing honestly and religiously. But, we know that PSU can only be survived, if Govt wants.

We would like to bring to your kind notice two major policy decisions which have threatened the very survival of MTNL


- 1. Payment of Pension by MTNL on behalf of Govt**—MTNL was formed in 1986 by carving out the telecom services of Delhi & Mumbai from Department of Telecom on trail basis. But, when MTNL successfully expended and efficiently maintained the services of these two metro cities, it was formed a full fledged PSU. But, the employees and officers continued to work in MTNL on deemed deputation till 1998 when Gr C & D employees absorbed in MTNL and officers were absorbed in Oct 2000. For pension after absorption in MTNL, Department of telecom gave option of combined pension for the service rendered in DOT and MTNL in accordance to Govt pension scheme which was to be paid by Govt. But, in the absence of clear govt orders, MTNL paid pension from its salary head, which was strongly opposed by employees and officers and demanded pension from govt as assured during absorption in MTNL. In 2002, DOT assured vide its letter that payment of pension will be paid by govt, and asked MTNL to pay pension from its resources till the modalities are finalized by department of pension & pensioner welfare. Since then MTNL is paying pension in the tune of Rs 400-500 Cr from its resources which has totally paralyzed the financial health of MTNL in this throat cutting competitive era where in spite of growth, revenue of all telecom companies including MTNL is dipping drastically because of tariff war. DOT has sent a cabinet note long back for pension in MTNL at par with BSNL. But, till date nothing has been done and total profit of MTNL is going in pension head.
- 2. Payment of Rs 11000Crore for 3G & BWA spectrum fee**—At the time when MTNL was trembling with the extra burden of pension, A big blow was put on its face by compelling it to pay 11000 Cr for the 3G & BWA spectrum fee. MTNL did not participate in the bid for 3G & BWA spectrum, but DOT imposed a decision that MTNL and BSNL will have to match with highest bidder with out giving them any option to consider their financial constraint to go for these heavy price spectrums. Except MTNL, there is no other operator who is confined in Delhi and Mumbai only. All operators who made bid for Delhi and Mumbai also made bid for other choice circles. So they have compensated higher price of Delhi and Mumbai with lower prices of other circles. It can be a business of profit for them. But MTNL did not have any option except to pay highest price for which it did no bid. So, it appears to be a conspiracy of certain lobby to bid so high for Delhi & Mumbai to finish MTNL. To pay this 11000 crore, MTNL has not only exhausted total cash reserve of Rs 4000 Cr, but has taken a loan of Rs 7000 Crore. So now MTNL is a cashless company with 7000 Crore loan on its balance sheet. This situation has not come because of employees or management or services, but because of Govt decisions.

In view of above, we solicit your personal intervention to save the MTNL, a NAVRATNA of Govt of India, and also the bread and butter of the 50 thousand employees and their family.

We request your goodself to get pension issue settled at par with BSNL and also the refund of 11000 Cr back to MTNL .Only reserve price of 3G & BWA spectrum be charged from MTNL, which was the condition in new telecom policy 1999 for incumbent operators. We have full confidence in your able leadership; we hope that you will definitely do needful to save MTNL and ensure bread and butter of thousands of families of MTNL.


With warm regards

Yours sincerely


(V.K.Tomar)

Copy to:

1. Thiru. A.Raja, Hon'ble Minister of Communication & IT, Govt of India. For inf & n/a pl.
2. Shri.Sachin Piolet, Hon'ble Minister of State ,Communication & IT for inf & n/a pl.
3. Shri.K.M. Chandershekhar, cabinet Secretary, Govt of India for inf & n/a pl
4. Shri.T.K.A.Nair, Principal Secretary to Hon'ble PM of India for inf & n/a pl
5. Shri.P.J.Thomus, Secretary, DOT, for information & n/a pl.
6. Smt.Vijyalakshmy K.Gupta, member (fin), DOT for inf & n/a pl.
7. Shri.S.C.Mishra, Member (Services), DOT for information & n/a pl.
8. Shri.Chanddra prakash, member (Technology), DOT for information & n/a pl.
9. Shri. Kuldip Singh, CMD, MTNL for inf & n/a pl.
10. Shri. S.P.Pachauri, Dir (HR), MTNL, for inf & n/a pl.
11. Ms. Anita Soni, Dir (Fin), MTNL for inf & n/a pl.


श्री. पी. जे. थोमस
1.5.2004 M.D.
मंत्रालय, नई दिल्ली/MTNL.

