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MTNL EXECUTIVES' ASSOCIATION

CENTRAL HEAD QUARTERS, NEW DELHI

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

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DATE: 17-07-13

To

Shri Kapil Sibal

Hon'ble MOC&IT

Govt of India, New Delhi 110001

Subject: Suggestions to get MTNL/BSNL revived

Respected Sir

We are very happy that Govt has taken the call of state owned companies MTNL/BSNL to get them revived. We are happier to see that govt has constituted a group of ministers comprising the very learned senior ministers having positive approach and foresightedness under chairmanship of Shri P.Chiddamberam, Finance Minister of India. We are very thankful to your good self who has rightly understood the ground realities behind the dwindling financial condition of MTNL/BSNL and took up the issue of revival of these companies with Hon'ble Prime Minister of India Dr Manmohan Singh Ji. Sir, MTNL/BSNL are jewel of Govt of India which have contributed a lot in the socio economic development of the country and have laid a strong foundation of Indian Telecom Industry which has now become one of the largest telecom industry in the world. Presence of MTNL/BSNL has ensured the world class telecom services on affordable rates to the esteemed customers of our beloved country. Before the entry of MTNL in mobile telephony, private companies used to charge Rs18/ per minute for outgoing calls and Rs 8 for incoming calls, but with the entry of MTNL in mobile services, tariff was drastically reduced to Rs 1 for outgoing call with no charges for incoming calls. This alone instance is sufficient to understand the importance of state own companies in telecom sector to safeguard the interest of customers and ensure healthy competition.

But, today these companies are the victim of govt policies. MTNL has reached on the verge of collapse in spite of our all-out efforts to get it survived because of some policy decisions at govt level.



Hon'ble Prime Minister of India and Your good self has recognised the strong role of public sectors in the Indian economy and mentioned at many occasions that recent recessions could not affect Indian economy much because of robust public sector of India. We hope that this GOM with your presence and with the strong vision of this govt to transform India as a developed country in coming years will take appropriate policy decisions to revive MTNL/BSNL.

In this regard, we wish to submit some suggestions for revival of MTNL

Merger of MTNL and BSNL into a single entity—MTNL is confined in two metro cities and BSNL is providing services in rest of India except Delhi and Mumbai. These companies are competing with the private operators of PAN INDIA presence. Because of NON-PAN INDIA presence in telecom sector, MTNL and BSNL are losing their customer base and particularly creamy layer customers in Metro cities. Because of separate company, both MTNL and BSNL are making double expenditure on many heads which could have been avoided had there been single entity of these companies. Therefore, to make a single state own company in telecom sector to compete with other PAN INDIA companies, **MTNL and BSNL must be merged into single entity.**

Refund of BWA spectrum charges—without any business case, MTNL/BSNL were forced to procure BWA spectrum and meet the highest bid without participating in the bid process. And the spectrum allotted to MTNL/BSNL was substandard so the BWA services could not be rolled out by MTNL. The amount paid for spectrum charges was borrowed by MTNL from banks on hefty interest rate. MTNL is paying about RS.500/ crore interest per annum on the amount borrowed for spectrum charges while the BWA spectrum has been surrendered to DOT. Employees are not getting their due rights for no fault of them because of bad financial condition of MTNL.

Pension from govt as in BSNL—We the employees/Officers who got absorbed in MTNL after serving a long period in Govt service in DOT, were to get combined pension from govt as is being paid in BSNL which is the PSU of same department created for same purpose with same category of employees/officers of DOT. But inspite of many assurances by DOT, Hon;ble MOC & IT and above all the assurance on the floor of parliament that there will be no discrimination in payment of pension in BSNL and BSNL where pension is paid by govt, pension issue in MTNL is still unsettled for last 13 years when we got absorption in the company. **We request your good self to decide the payment of pension in MTNL by govt as in BSNL so that employees can get secured pension and MTNL is freed from discharging the govt liability of pension.**

Telecom services for Govt departments/organisations from MTNL/BSNL only—In view of making state own companies BSNL/MTNL revived/survived, all govt departments, PSUs and other govt organisations may be asked to get telecom services from MTNL and BSNL only. These are the govt companies which pay dividend to govt so the profit or loss of these

companies directly affects the govt kitty. Private companies profit is for their own development, but Govt PSU's profit is for the development of the country and its citizens.

We hope GOM will consider many more proposals submitted by DOT and MTNL to take effective policy decisions to get MTNL/BSNL revived. We request your good self that above suggestions may be given due consideration while deciding the revival of MTNL. More than 60 thousand families of serving and retired employees are looking forward for your announcement of revival policy decision for MTNL. We once again would like to say that merger of MTNL and BSNL will be the solution of many hurdles in the revival of MTNL/BSNL. We assure to GOM that the employees and officers of MTNL are making all sincere efforts to provide efficient services to the esteemed customers of political and commercial capitals of India and will make more efforts to further improve our services.

With warm regards,

Yours sincerely



(V.K.Tomar)

Copy for information &n/apl:

1. ShriManmohanSingh, Hon;ble Prime Minister of India
2. Shri P.Chidambram, Hon'ble Finance Minister & Chairman GOM
3. ShriAnand Sharma, Hon'ble Minister of Commerce & Industries, Govt Of india
4. Shri Manish Tiwari, Hon'ble Minister of Information & Broadcasting Govt of India
5. ShriMontek Singh Ahluwalia, Dy Chairman Planning Commission
6. ShriNarayanswamy, Hon'ble MOS, Personnel, Public Grievances & Pension
7. ShriM.F.Farouqui, Secretary, DOT