



ALL INDIA  
BHARAT SANCHAR NIGAM LIMITED  
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CENTRAL HEAD QUARTERS

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No.AIBSNLOA/CHQ/2012/59

Dated: 30<sup>th</sup> August 2012

To

Shri Milind Deora,  
Minister of State for Communications & IT,  
Government of India,  
New Delhi.

**Sub: Implementation of commitments given by DoT in the MoU signed between  
Between DoT and BSNL for the year 2012-2013 - reg**

Hon'ble Sir,

In a recent statement made by you in the Parliament it has been mentioned that, "BSNL has requested Department of Telecommunications for surrender of Broadband Wireless Access (BWA) Spectrum in few Licensed Service Areas (Tamilnadu, Karnataka, Kolkata, Maharashtra, Andhra Pradesh & Gujarat) and to refund Rs.6724.51 crores for one time upfront BWA Spectrum charges paid for the same." Mention also has been made that DoT has received from BSNL a Voluntary Retirement Scheme and BSNL has requested DoT to finance the scheme. Both the requests have been reported to be under examination in the Department of Telecommunications.

2. We would like to bring to your esteemed notice that, these two issues are only a part of some important measures **listed out in Part IV of Memorandum of Understanding, drafted as per DPE guidelines, between the DoT and BSNL for the year 2012-13** as Commitment/Assistance from the DoT, Government of India. In this, it has been committed that:

"Government shall endeavor to assist BSNL in the following matters:

- (i) Re-imbusement of deficit on account of commercially nonviable services.
- (ii) Refund of upfront BWA spectrum License fee.
- (iii) Issue of a soft loan which has been requested by BSNL for an actual loan of Rs. 15000 crores for 10 years with a moratorium of 5 years.
- (iv) Center/State governments and PSUs should give priority to BSNL for their Telecom service requirement.
- (v) Pension Contribution is collected on the maximum of the scale in IDA instead of on actual pay drawn which is contrary to the procedure followed in respect of CDA scales.
- (vi) Funding Support for VRS"



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3. **The Memorandum of Understanding (MoU)**, which has been prescribed by the Department of Public Enterprises as applicable to public sector enterprises is a negotiated document between the government and the management of the enterprise specifying clearly the objectives of the agreement and the obligations of both the parties. **The main purpose of the MoU system is to ensure a level playing field to the public sector enterprises vis-à-vis the private corporate sector.** Therefore the MoU should not be viewed merely as a document but has to be seriously implemented by both the sides.

3.1 But even after five months of signing of this MoU, no serious effort appears to have been taken by the DoT in implementing its commitments which will have a direct bearing on the targets fixed for implementation by BSNL.

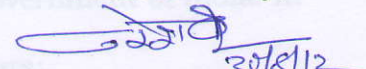
3.2 While refund of BWA spectrum is reported to have been linked to sale of the spectrum returned by BSNL, there has been no determination on the part of the DoT to get BSNL compensated for the unviable services. No directive has been issued by the Government of India to the Central/State Government departments and PSUs that they should give priority to BSNL for their telecom service requirement. Pension Contribution continues to be collected on the maximum of the scale in IDA, instead of on actual pay drawn.

4. BSNL is not seeking any favor from the Government for improving its finance. It is the responsibility of the Government to ensure that BSNL is duly compensated and protected as BSNL alone implements the social obligations of the Government of India and only because of BSNL's presence in the arena, the private operators are providing the customers with the telecom services at affordable rates.

5. Therefore we request you to kindly bestow your special attention to the above issue and direct the DoT to implement the commitments it has made in the MoU without further delay so that BSNL can meet the targets fixed in the MoU.

With kind regards,

Yours sincerely,

  
(Rakesh Sethi)  
General Secretary

Copy to:

1. Shri O.P.Rawat,  
Secretary, DPE
2. Shri R.Chandrasekhar,  
Secretary, DoT
3. Shri R.K.Upadhyay,  
CMD, BSNL