

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATION AND INFORMATION TECHNOLOGY
RAJYA SABHA
STARRED QUESTION NO-187
ANSWERED ON-05.12.2014

Revamping of BSNL

187 . Smt. Vijila Sathyananth

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether BSNL would be revamped, rejuvenated and strengthened to avoid the state of being sick;
- (b) whether Government would provide the revival fund which was proposed earlier;
- (c) whether to improve less income generating rural areas, compensation for rural services would be met by Government, if so, by when;
- (d) the reasons for not providing waiver to BSNL for spectrum; and
- (e) the manner in which BSNL would meet enormous establishment cost without healthy income, the steps taken therefor?

ANSWER

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)

(a) to (e) A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE RAJYA SABHA IN RESPECT OF PARTS (a) TO (e) OF RAJYA SABHA STARRED QUESTION NO. 187 FOR 5th DECEMBER, 2014 REGARDING “REVAMPING OF BSNL”.

(a) & (b) Government is conscious of the financial distress in Bharat Sanchar Nigam Limited (BSNL). Government has taken various measures for the revival of BSNL. These measures include:

(i) Waiver of Government loan to BSNL involving an amount of Rs.1411 crores.

(ii) Financial support of Rs.6724.51 crores to BSNL on surrender of Broadband Wireless Access (BWA) spectrum in 6 service areas.

BSNL is preparing a revival plan for increasing revenue potential, identifying business opportunities, organizational restructuring and training to enable it to grow into customer-centric company with expertise in marketing and customer services delivery and developing human resources strategy in line with restructured organizational vision.

(c) Based on recommendations of the Telecom Regulatory Authority of India (TRAI), financial assistance of Rs. 1500 crore was released in financial year 2013-14 as support for rural wireline connections installed before 1.4.2002.

(d) On a request for reimbursement of amount paid as one time spectrum charges in 2010 for 3G and Broadband Wireless Access (BWA) spectrum, Government decided that the condition of payment of one-time spectrum fee at a price equal to the highest bid, as determined through auction of 3G and BWA spectrum was incorporated in the Notice Inviting Applications (NIA) for the auction in 2010.

Thereby, the request for reimbursement of the amount paid by BSNL was contrary to the agreed terms and conditions and could not be accepted in 2010. However in 2014, the proposal for financial support of Rs.6724.51 crores to BSNL on surrender of BWA spectrum in 6 service areas was approved by Government.

(e) As on 30.09.2014, BSNL has workforce strength of 2,32,144 employees of which over 67% are over the age of 50 years. Due to the large anticipated retirements in the next 10 years, the employee expenses are likely to reduce over time. In the interim, to provide support for reduction in employee expenses in BSNL, a proposal for annual financial support is under consideration of Government.

BSNL is also taking several steps to enhance its revenues through investments to strengthen its network and focus on customer care and service delivery to improve quality of service. The investment projects being undertaken by BSNL include:

- Augmentation of its mobile network as part of its Phase-VII Project to create additional capacity of 15 million lines at an estimated cost of Rs.4804.77 crores. This will result in addition of 14421 2G sites and 10605 3G sites across the country.
- Replacement of the entire network of wireline local exchanges by Internet Protocol (IP) enabled exchanges and deployment of Next Generation Network (NGN) equipment based on the latest architecture gradually to replace entire legacy telephone exchanges at an estimated cost of Rs. 600 crores.
- Migration of entire C-DOT (Centre for Development of Telematics) legacy telephone exchanges with technology solutions being developed by C-DOT at an estimated cost of Rs. 350 crores for which MoU (Memorandum of Understanding) has been signed between C-DOT and BSNL.
- Government has assigned the work of providing mobile connectivity in 2199 identified locations in Left Wing Extremism (LWE) affected areas through BSNL at an estimated cost of Rs. 3567.58 crores.
- Government has assigned the work of providing mobile connectivity to uncovered villages in Arunachal Pradesh and two districts of Assam to BSNL on nomination basis at an estimated cost of Rs.1975.38 crores.
