

**ALL INDIA
BHARAT SANCHAR NIGAM LIMITED
EXECUTIVES' ASSOCIATION
Central Headquarters, New Delhi**



**Key Note Address delivered by Shri Prahlad Rai, General Secretary
in the Open Session of Central Working Committee Meeting of AIBSNLEA
held at Jablapur on 19.10.2011**

It is a matter of great pride and privilege for me to have such a gathering of distinguished personalities present here on the occasion of the Central Working Committee Meeting of our Association i.e. All India Bharat Sanchar Nigam Limited Executives' Association being held here in this Historical City Jabalpur. Our delegates in this CWC Meeting, who are the representatives of 30,000 strong BSNL executives, have come to attend this Meeting from every nook & corner of the country-from Kashmir to Kanyakumari and Lakshadweep to Andaman & Nicobar. Thus, this CWC Meeting has given us a unique opportunity to discuss the issues related to the growth of BSNL which gives us bread & butter and also to discuss the issues related to our carrier prospects.

All India Bharat Sanchar Nigam Limited Executives' Association was formally launched on 1st May 2004 by merging ten separate Associations which were earlier representing Group B and promotee source Group A officers of different disciplines in the Department of Telecommunications. We, the members of AIBSNLEA belonging to various disciplines of BSNL i.e. Telecom Engineering, Telecom Finance & Accounts service, Telecom Civil, Electrical and Architectural, Telecom Factory Engineering Services, Telecom Personal Staff, Corporate Office Secretariat Staff, Telecom Official Language Officers etc., numbering more than 30,000 throughout the country, are playing the pivotal role in the development, maintenance and operation of Telecom. The Telecom Engineers install, maintain and operate Telecom Systems comprising of latest technologies at their own without any help from Foreign Experts and provide un-interrupted services. These are the engineers holding independent charges of Sub Divisions / Divisions and Telecom Switching / Transmission Centers. The local network is controlled by these Engineers. Similarly, the long distance telecom network comprising of the digital network, Microwave, Optical Fiber Cables and Satellite Systems, bringing the entire world together and the new services i.e. WLL, GSM (Cellular Mobile), NIB / Broadband and Value Added Services etc. are also installed, maintained and run by them. Quality Auditing for Telecom Performance of the Telecom Installations and Services, Quality Checking and Evaluation of the Telecom Equipments and accessories beforehand to ensure their compatibility are done by these Engineers. They would also be found imparting training in latest technologies to thousands of Telecom Employees in the Telecom Training Institutes run by BSNL for enhancing their skill. These Engineers also provide effective planning not only to ensure future growth of telecom but also to augment and upgrade the existing network. Again, these are the engineers who, braving all the odds, face the challenges to take telecom to one and all – even to the most remote and inaccessible areas of the country.

The Telecom Finance & Accounts Executives are maintaining the telecom accounts, billing, assets, consolidated trial balance, internal audit in the changed corporate set up, revenue management &

settlement of personal claims of the staff and working as internal financial advisors, thereby contributing a lot in the growth and maintenance of telecom services in BSNL.

The Telecom Civil, Architect, Electrical and Telecom Factory Engineers are providing basic infrastructure for the new telephone exchanges, towers, GSM SIM manufacturing, administrative buildings, staff quarters and expansion work. The electrical engineers are efficiently maintaining power plant, air-conditioning and day to day maintenance of the BSNL Telephone Exchanges, Staff Quarters etc. These Engineers have saved lot of money in electric conservation. The Telecom Personal Staff (PAs/PSs), CSS Executives, Official Language Executives and other Executives of General Line Disciplines are also actively involved in very important management activities which has its own unique importance in the office management in the organization.

2. Under this background, I certainly feel privileged to use this opportunity to share the views of our Association with this distinguished gathering on the issues pertaining to telecom as well as the matters concerning the members represented by our Association.

At the time of formation of BSNL from a Govt. Department to a corporate entity, BSNL faced unique challenges, in which serious doubts were raised about its capability to sustain productivity and profitability. But with true grit determination, dedication and sincerity, BSNL has belied these misconceptions and sustained its position. In a period of 10 years, BSNL has a mobile customer base of 60 million and 5 million Broadband connections have been provided in this period. This year is a very challenging year for us to improve its position since in last year BSNL has faced losses of Rs.1800 Crores & 6300 Crores respectively. We are confident that under the leadership of **Shri R.K. Upadhyay, CMD, BSNL**, we will be achieving the targets set by the Govt.

Over the past 11 years, assets of BSNL have grown almost double. with an assets base of about 68,000 crores at the time of its formation, now the asset base has become more than 1,36,000 crores. BSNL's target for this financial year is to provide about 6 million telephone connections including those in rural areas but in the area of Land Line telephones, lot of disconnections are taking place and our market share declined which is a matter of serious concern to all of us. We reassure our best co-operation and support to Hon'ble CMD in achieving the targets set by the Government to turn around BSNL.

We are holding our CWC Meet when big changes in Telecom Sector are in the offing. In the rapidly changing scenario in Telecom, the regulatory regime and competition in Telecom are a fait accompli. We are not afraid of competition. With all the constraints around, our colleagues in BSNL in all major cities and other places are facing competitions with exemplary courage. In a bid to fall in line with the international standards, the Telecom Regulatory Authority of India has proposed certain standards to be ensured for quality of service along with provision of imposing penalties, if the prescribed quality of service is not maintained. Technological innovation, the rise of the customer-driven markets and regulatory actions are dictating new management styles. Now, there is pressure on us not only to increase DELs i.e. number of telephone connections but also to retain the customer base, especially the creamy layer by rendering quality service & good customer care.

The Govt., based on TRAI recommendations, has completely phased out the Access Deficit Charges (ADC) by 31st July'2011. It was assured that BSNL would be suitably compensated in the form of ADC for meeting the obligations in respect of rural telephony or other un-economic services but the same has been withdrawn. It seems that the Govt. is heading towards limiting its commitment to a short period.

BSNL, the major service provider of universal services in rural, remote, in-accessible and hilly areas, provided reliable service connectivity across the country including ice-lands, should be fully exempted from making the contribution towards USO fund and the net contribution made by it till date which is about Rs. 8000 Crores should immediately be refunded to BSNL.

National Telecom Policy (NTP)'99 does not envisage recovery of any license fee from BSNL (then DoT) in respect of its fixed line services. In respect of GSM line services the license fee was to be paid by BSNL but the same was to be fully reimbursed being a national service providers having immense rural and social obligations. BSNL has been paying the license fee in respect of basic services and cellular services also. Accordingly, BSNL has suffered a total financial loss of Rs. 15,000/- Crores up to 31.03.2009. Further it is facing the recurring financial loss of Rs. 1200 Crores per annum on the payment of license fee and Rs. 1750 Crores towards USO contribution per annum contrary to NTP'99.

BSNL has requested to DoT for financial support in order to make its wired line services/rural telephony financially viable by compensating the losses of Rs. 44,000 Crores incurred by BSNL due to difference in ADC admissible to BSNL, payment from USO fund against difference of rentals set by TRAI and the rental being charged by BSNL for the rural DELs provided through USO scheme. The operational expenditure of Rs. 5800 Crores per annum of its 90 lakh rural lines and reimbursement of Rs. 1500 Crores annual losses being faced by BSNL on telegraph services but the Telecom Commission has only reduced USOF contribution from 5% to 3% which gave very small amount relief to BSNL.

Govt. has charged Rs. 18,500 Crores for 3G and BWA spectrum auction and as per the allocation guide-lines in which BSNL has been given one block of spectrum on the cost of highest bid in the respective service area, whereas BSNL should have been allocated 3G spectrum free of cost in lieu of complete phasing out of ADC or on benchmark price and should immediately refund Rs. 8313 Crores of BWA Spectrum Charges to BSNL..

BSNL should expand its GSM, 3G and Broad Band Services looking into tremendous public support and demand. BSNL Management's decision to outsource CDR billing and for Annual Maintenance Contracts for the New Technology Switches has become the source for drainage of hard earned revenue. All these days, BSNL's own employees were successfully carrying out these jobs.

We acknowledge the comments of **CMD BSNL Shri R.K. Upadhayay** that **“we will dedicate ourselves to augment the position, prestige and esteem of our Company keeping aside self interest and contribute in enhancing its glory by providing high class services to our customer”**.

Director(HR), BSNL Shri A.K. Garg is for **“improving the work culture and public interface”** to improve our image. He is also stressing on the need of an attitudinal change for making customers delighted to continue with BSNL.

3. Despite having a definite edge over the Private Operators in many areas, BSNL has some weaknesses too. The main weakness lies in its structure itself i.e. the Management believes and possesses a work culture which does not suit the need of the hour. There is no denial that the dependency on other Departments / Organizations like Planning Commission, Department of Electronics, Department of Expenditure, Department of Telecommunications and Department of Public Enterprises delays the decisions. BSNL has to be given the freedom to decide its own issues. After all, it is the BSNL Management which is responsible and accountable to the Public whereas others are not. In this background, BSNL needs to be given the full autonomy in decision making both on functional and financial front. In the process of decision making, innovative ideas and bold initiatives need not be distrusted and overcome by the age old DoT systems and procedures of ensuring safety and propriety.

In the modern management concept, it is also necessary to decentralize the administrative and financial powers for not only reducing the burden on the top management but also to give adequate freedom to the lower formations. Unfortunately, a typical DoT work culture is still continuing in BSNL, which tends to keep the powers centralized and prevents any move in positive direction. The BSNL

again suffers most in the absence of a sense of team spirit. The conviction of team leaders to live in isolation keeps them away from the realities. In the challenging current business scenario with highly competitive market conditions and customer expectations in terms of quality of service, BSNL will have to gear up itself to improve its performance in achieving excellent growth in all spheres. Accordingly, BSNL needs to take immediate steps to motivate its works force, their skills and profile through trainings, seminars, moral education and attractive incentive schemes etc. so that it meets the challenges and increases its profitability in future and also prevents the brain drain.

4. As a Service Association we can't remain silent spectator to the problems of our cadres. As already stated, our members are frustrated due to non-settlement of the following pending grievances:

- (a) **BSNL Management Service Recruitment Rules-2009:** These rules are effective from 11th June 2009 instead of 1st October 2000 as is in the case of Executive Promotion Policy. The Executives promoted to adhoc Group 'A' post before or after 01.10.2000, their adhoc service will not be counted as regular service for the purpose of future promotions.

As per these BSNLMS RRs, the existing JTOs/SDEs (C/E/Arch) Engineering wings having diploma qualification were not eligible to be promoted to the grade of Assistant General Manager EE/Arch. In addition to this, in the Architecture discipline, having valid registration as Architect with the council of the Architects is made compulsory, which is gross injustice to the absorbed Executives of Civil/Electrical/Arch Engineering wings in BSNL and against the DoP&T guidelines and CPWD RRs wherein Diploma holders are also allowed to be promoted to the grade of EE (C/E/Arch). It is requested to remove discrimination on the pretext of degree/diploma qualification to the promotion of EE from SDE (C/E/Arch) and provide parity with the JTO (T) / SDE (T).

- (b) **MTRR:** BSNL has notified MTRRs for internal and outside quota (50%). BSNL absorbed Executives have been debarred to appear in the internal MT examination on the basis of age and qualification. We persuaded with BSNL Management for not making the provision of age and qualification for MT examination for the existing Executives against the guidelines of DPE and to allow a fare competition.

- (c) **Change of designations on each Time Bound upgradation and post based promotions:** On each upgradation to the next higher grade, the designation and the duties / responsibilities associated with the grade should also be allowed. BSNL Board has decided to change the designations in BSNL C.O. i.e. JTO equivalent – Asst. Manager, SDE equivalent – Dy. Manager, Sr. SDE equivalent – Manager, DE equivalent – Asst. General Manager, JAG equivalent – DGM, SAG equivalent – GM and HAG equivalent – PGM. The change of the designations in field units is yet to be decided.

- (d) **One time placement of SDE to Sr. SDE grade :** As per DoT agreement and commitment of BSNL at the time of absorption of Group B officers in BSNL on 01.10.2000, the SDEs who completed 5 years of regular service would be provided one time placement in the Sr. SDE grade. A proposal to give relief to the stagnating SDEs for their placement in the Sr. SDEs grade through Cadre Review Concept, on the backdrop of the demand of the Association to reduce the eligibility criteria from 12 years to 5 years (as approved by Telecom Commission in 1994) for placement in the existing scheme, was approved by DoT and discussed in the GoM. This was subsequently remitted to BSNL. It was assured by Hon'ble MoC&IT in the meeting held on 22.10.2001 with the Association that BSNL has agreed to the proposal in principle and a board memo was under preparation. We further understand that the memo was also finalized, but was not placed in the BSNL board meeting. Now the majority of TES Group B officers have been absorbed in BSNL and the BSNL Executives' Promotion Policy is implemented with effect from 01.10.2000, but the assurance given to provide one time placement of SDE to Sr. SDE on 01.10.2000 has not been implemented. The issue needs to be settled favourably.

- (e) **Continuous deprivation of senior executives of Telecom Engineering wing** : We apprised about the continuous deprivation of senior executives of Telecom Engineering wing who were promoted to SDE cadre in 1990 DPC and are drawing less salary than juniors who promoted in 1993 and 1994 DPCs, which still remains unresolved. BSNL CO is fully aware that out of the entire executive community a small group of about 800 executives have not and will not get any benefit from the time bound executive policy. We requested for granting the second time bound promotion after 4 years instead of 5 years for the executives who got one time bound promotion before 01.10.2004 to avoid the anomaly.
- (f) **Early settlement of Pay anomaly cases wherein senior Executives are drawing less pay than their juniors**: Committee headed by PGM(FP) is yet to submit its report on this issue. We have already provided feed back in writing and in person to the committee members and requested to make the provision in EPP allowing stepping Up of pay.
- (g) **Filling up of the vacant JAG, STS Group 'A' posts in BSNL** : BSNL Management should immediately fill up all vacant JAG, STS level Executives posts of all disciplines.
- (h) **Regular Promotion to SDE (Telecom)** : About 3000 SDEs (Telecom) posts against seniority-cum-fitness and 4500 LDCE quota are lying vacant. The DPC process to fill up the vacant SDEs posts should immediately be completed and LDCE should be notified. The vacant posts of SDEs/DEs (Telecom factory) should also be filled up at the earliest.
- (i) **Serious irregularities in the TES Gr. B officers seniority lists** : While implementing Hon'ble Supreme Court Judgment DoT re-casted the seniority of 45 TES Gr. 'B' officers only whereas, thousands of TES Gr. 'B' officers are to be provided similar benefit. Now TES Gr. 'B' officers promotions to DE is being issued on the basis of two seniority lists i.e. one on rule-1966 and another on para rule-206 basis. It has caused serious anomaly and heart burn to the TES Gr. 'B' officers in BSNL. Request for implementation of one rule for preparing the TES Gr. B seniority list so that several court cases can be avoided.
- (j) **DPC from AO to CAO and JAO/AAO to AO** : The DPC for filling up of about 800 vacant CAOs posts and about 600 AOs posts are to be completed. We request for an early issuance of the promotion orders.
- (k) **1999 JAO Batch DPC** : We requested to hold DPC of 1999 JAO batch on retrospective date i.e. 01.10.2003 when they were eligible to be promoted as AAO and the BSNL declared AAO as wasting cadre in 2004 without holding their DPC.
- (l) **Revision of pay scale of Assistant Directors (OL)** : The AD (OL) in BSNL are drawing pay scale Rs. 9850 – 250 – 14600 whereas, in the other Ministries the AD (OL) are drawing the pay scale Rs. 13000 – 350 – 18250 as per the BSNL's restructuring policy of executives cadres in BSNL to give parity with JTO/SDE(T) has to be considered. AIBSNLEA has been demanding to remove the discrimination.
- (m) **Promotion from JTOs Offg (TTAs) to JTOs Telecom on regular basis** : We are requesting to BSNL management to upgrade requisite number of TTAs posts to JTOs as one time measure to promote 1800 JTOs offg. on regular basis. We have also requested to provide pay fixation under FR-22 (I) (a) (i) instead of FR-32 to officiating JTOs since they are discharging the duties of JTO.
- (n) **Sanction/creation of new posts of PPS in the field offices** : With the restructuring, there remain only two grades i.e. PA and PS. In the restructuring order it was specifically clarified that the Private Secretaries who were already promoted as Sr. Private Secretary shall continue to hold the designation in the field units till further orders. It was agreed by the then Director

(HRD) that the posts of PPS in CDA pay scale of Rs. 10000-325-15200 will be created and attached with Heads of Circles. We request that all CGMs/PGMs (HAG level) may be provided with PPS.

- (o) **Implementation of DPE OM dated 02.04.2009 and revision of Perks & Allowances :** As per the Govt. decision, the fitment benefit @ 30% on the basic pay + DA @ 78.2% instead of 68.8% as on 01.01.2007 should be provided to all BSNL Executives. Similarly the date of effect of implementation of allowances / perks should be 26.11.2008 instead of 27.02.2009. The perks and allowances should also be revised in new IDA pay scales at the earliest.
- (p) **Finalisation of E1A, E2A, E9A and E9B IDA pay scales :** BSNL Board has approved the in between pay scales E1A, E2A, E9A and E9B for JTO, SDE, CGM and ED and sent to DOT for approval. But DoT has rejected the proposal. Now BSNL should decide standard pay scales to these cadres.

5. The following steps are required to be taken for the viability of BSNL:

- A. Absorption of ITS officers in BSNL:** The absorption issue of ITS officers in BSNL/MTNL is yet to be resolved. It seems that ITS officers Association opposition will continue as the demands of ITSA remains unsettled. We have been requesting to the DOT administration to settle the issue at the earliest so that viability of BSNL is not affected adversely. Presently these officers are working under uncertainty, thereby not concentrating towards developmental and maintenance works. As a result, a serious stalemate has been created which needs to be sorted out immediately since it is affecting BSNL / MTNL and its employees.

Recently DoT has called again option from ITS officers to get absorbed in BSNL/MTNL. But ITS officers Association has demanded to repatriate them to DoT from BSNL/MTNL. Hence, the ITS Officers are not going to exercise option in BSNL. In this situation BSNL should immediately decide its contingency plan to fill up the vacant higher posts by promoting its own eligible executives and recruiting from market. But in any case, no deputation in BSNL should be permitted. BSNL should be led by its own executives who own its responsibility and commitment to this company.

- B. Myth of the Privatization/Disinvestment of BSNL being a panacea of all its problems:** Privatization/ Disinvestment of BSNL can only help the Government to meet its budgetary deficits because BSNL shall not be allowed to utilize any of the revenue earned by its disinvestment for the growth/ expansion of BSNL. After formation of MTNL a Navaratna Company 46% of its shares have been offloaded in the Market but it has not led to any improvement in performance of MTNL or increase in its Market Share.

How will privatization / disinvestment help BSNL in its growth or increase of its market share? Only a motivated workforce, a Committed Management and faster decision process in finalization of Tenders, procurement of Equipments and clearance of associated bottlenecks can help BSNL in its growth and increase of its Market Share. Only a strong and growing BSNL can keep the Telecom Prices in check and will not permit free rein to private operators to form cartels and fleece the Public. But for the PSUs like BSNL the customers would have never got Telecom Services so cheap as of now.

- C. VRS:** BSNL Board has approved the VRS on 04.10.2011 and the same has been sent to administrative ministry (DoT) for its consideration. We oppose such move of VRS to One Lakh employees without having any roadmap that in what way it is going to benefit BSNL. We explained to BSNL Management that BSNL Management instead of realizing its failure to manage company well is shirking its responsibility by pleading in all the forums that

BSNL staff strength is the big problem of its losses is not at all justified. BSNL Management failed to extract the work from its employees and did not procure equipment, material in due time which has adversely affected the viability of BSNL. BSNL Management could not resist against the wrong policies of Govt. viz. payment of Rs. 18,500 crores as 3G of BWA spectrum charges, reimbursement of license fee and spectrum charges, withdrawal of ADC, payment of AGR and non-payment of OPEX charges etc. The ITS absorption issue continued to linger on and they are leading BSNL without owning the responsibility and commitment. These are the main reason, which has put BSNL under losses. Hence BSNL management instead of making BSNL employees as "Victim of the situation" should concentrate procurement of equipment, stores i.e. cables, telephones instruments, GSM equipments, Broadband modems, MLLN equipments, Drop wire etc to improve the quality of service and to strengthen its Marketing & Sale Units. BSNL Management should treat its manpower as its strength instead of liability by making its best use.

- D. Illogical interest and taxes being paid by BSNL:** Various illogical interests are being paid by BSNL to Govt. of India, which is directly affecting the viability of BSNL. BSNL should be exempted from paying building tax, paying excise duty on SIM cards, paying exorbitant electricity bills by applying the logic of low usage of power instead of electricity being charged on the basis of power plant capacity, VTMs revised penalty charges and heavy charges being paid to municipality and panchayat for erecting towers whereas they are not charging anything from electricity companies.
- E. Instructions to all Govt. Departments/Autonomous Bodies where the Govt. of India bears the cost of telephone expenditure for taking the telecom services from BSNL only to support BSNL:** BSNL is operating in a very stiff competitive environment with sharp reduction in tariffs in order to serve the people of the Country as a responsible PSU. BSNL is maintaining the rural network with very low tariff for serving the rural India. In addition to this reimbursement of ADC charges is also withdrawn which has adversely effected the financial position of BSNL. The fixed expenses of the company are also increasing year after year. It is observed that some of the Government Departments/Autonomous Bodies are inclined to switch over to private network for various reasons.

As we are aware that the Ministry of Finance has issued instructions to all the Government Departments/Autonomous Bodies for undertaking the air travel by Air India only for both domestic and international travel where the Government of India bears the costs of air passage to support the Air India. (F.No.19024/1/2009-E.IV, GOI, MOF [Department of Expenditure].

BSNL Management should strongly take up the matter with Govt. for providing telephone connections/ broadband/ Value Added Services etc., to all Government Departments/ Autonomous Bodies from BSNL only in order to support BSNL and to provide better and reliable communication facilities to the country at large.

- F. Strengthening of Marketing and Sales units of BSNL:** Private Service Providers are approaching to BSNL customers door to door and offering various attractive plans and taking away its creamy layer customers. BSNL is not allowing to offer matching tariff to those creamy layer customers to stop churning. Proper monitoring of franchisees / retailers who should have all available brands of BSNL, is required. More and more retailers / outlets of BSNL are also required in the market. BSNL should create teams to bring enterprise business by way of door to door marketing and should concentrate to provide quality service.

In the above background it is clear that there is no threat on BSNL as BSNL has got good infrastructure and expertise manpower but the measure problem is nothing but the senior managerial cadre (ITS) in BSNL should join BSNL ending the continuous deemed deputation

status so that they can have sense of belongingness and commitment to BSNL. The committed workforce and leaders can only yield the better results.

The increase in the number of total connections provided by BSNL is phenomenal, though the total market share has decreased because of overall growth in the total number of connections provided by all the operators. The Group B and Group A officers absorbed in BSNL are playing crucial role in such a phenomenal growth by BSNL. But the Officers need motivation to perform tirelessly for the growth of the company because only a contended workforce can deliver up to the desired level of customer satisfaction. It is therefore, imperative that the Management settle the HR issues concerning all the executives as enumerated above.

Hon'ble Sirs, our intention is definitely not to burden you with our cadre problems. What precisely we want to convey to our esteemed audience and the dignitaries sitting on the dais, is that telecom is moving towards faster growth and more and more customer friendly services and in the days to come we shall have to earn more and more confidence of our customers and make them delighted through our faultless and customer friendly services. We assure, all of our members will strive hard for this. We all together devote ourselves to the service.

Now, while concluding, I thank you all for giving me a patient hearing and at the same time we reaffirm our resolution that we shall be discharging our responsibilities even in the new environment efficiently and will move forward along with all of you to make India of our dreams, a reality. We also assure our esteemed customers that this Association will do everything to ensure the best possible telecom services to them.

Thank you all,



(Prahlad Rai)
General Secretary