

# Successive Governments have deliberately weakened BSNL and favoured private monopolies

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The basic objective of Telecom Policy set about in 1988, when Telecom Commission, under the Chairmanship of Sam Pitroda, was constituted was **Telecom Services of Universal Quality at Affordable prices.**

This objective of Telecom Policy was met in an extraordinary manner by the then employees of erstwhile Department of Telecom (DOT) and this objective was largely accomplished by installing fully indigenous CDOT exchanges in every nook and corner of the country. Deployment of CDOT exchanges throughout the country not only enabled providing fixed line telecom services in remotest and inaccessible areas of the country but vastly enhanced the telecom density.

Privatization of telecom services took place in the year 1995 when National Telecom Policy 95 was implemented. Only the twin cities of Delhi and Mumbai were under jurisdiction of MTNL; private operators like Airtel, Reliance and then Hutchinson rolled out mobile services. Government did not permit its own company, MTNL to launch mobile services with a sinister design to allow these private operators to capture huge mobile segment market. It was only in 1998 when associations of telecom employees approached the Delhi High Court, the Government was coerced to give licence to MTNL to start mobile services in Mumbai and Delhi.

Similar situation was experienced when BSNL was constituted in the year 2000 and mobile services were started throughout the country. Private operators – Airtel, Reliance and Hutchinson were allowed to start mobile services in the year 2000 whereas BSNL was not given the licence by the Government to start mobile services till year 2002. It was in the year 2002 when employees of BSNL went on the streets vehemently protesting against the delay in allowing BSNL to start mobile services, the Government was forced to allow BSNL to start mobile services.

**What is of paramount significance is that despite delayed entry of two years in the mobile sector, BSNL broke the formidable cartel built up by private operators. With entry of BSNL in mobile sector, incredible tariffs of Rs.15 per minute for outgoing call and Rs.8 for incoming call charged by the cartel of private operators crumbled to Rs.2.40 per three minutes. With entry of BSNL in mobile segment, telecom tariffs remained highly competitive and cartelization by private operators was exposed and defeated lock, stock and barrel. The legitimate interests of users of telecom were successfully and effectively safeguarded by BSNL and users were protected from being ruthlessly fleeced by private operators. This incredible and groundbreaking breakthrough in telecom sector came only with the entry of BSNL in mobile services.**

What is extremely significant and relevant to mention is that despite huge strategic early mover advantage of about two years in the year 2000 in mobile segment during which private Operators captured huge market share, BSNL rapidly grew, despite delayed entry of two years, and caught up with Airtel in the year 2006 in terms of market share in mobile sector.

**In the year 2006, the market share of BSNL was neck to neck with Airtel in mobile segment; while market share of Airtel in mobile segment was 19%, BSNL had a share of 18% in mobile segment.**

While BSNL was rapidly and exponentially growing up to the year 2007 in the mobile segment, it received a deadly and devastating blow when its ambitious tender for procurement of equipment to provide 45.5 million mobile lines was arbitrarily cancelled by then Telecom Minister within days of his taking over as telecom minister. Vested interests in the private telecom sector in collusion with then Telecom Minister were behind this sinister move of the Government. BSNL which was growing at an incredible pace started crumbling because of acute shortage of mobile equipment and potential circles of BSNL in mobile services started starving because of non-availability of mobile equipment. And BSNL has not been able to recover since then because successive Governments, in collusion with private operators, did not allow BSNL to finalize even a single tender for procurement of mobile equipment since year 2007 till date. And that was the beginning of decline of BSNL in mobile segment.

Again, in the year 2013 when auction for 3G spectrum took place, BSNL was coerced to bid and pay licence fees to the tune of Rs 12,000 crores for allocation of pan India spectrum. In sharp contrast, private operators were given full freedom to bid for circles of their choice. The net result of all this was massive cartelization by private operators. Together all the three private operators paid Rs 12,000 crores as licence fees by deciding Circles of their choice and then entered into a cartel. Private operators through cartelization were illegitimately and nakedly, against stipulated provisions of Telecom Policy, allowed to provide mobile services in circles where they neither had spectrum nor licence to operate 3G Services.

On the contrary, BSNL was offered a redundant spectrum band which had no utility. It was only a sustained struggle by employees of BSNL that forced BSNL management to surrender this spectrum and Government was also forced to repay about Rs 9,000 crores to BSNL.

However, telecom sector in India witnessed a lethal, unprecedented and worst ever blatant and naked policy violation in the year 2014 when 4G spectrum was allocated to private operators and Jio entered telecom market. BSNL was not allocated 4G spectrum and till date is not allowed to roll out 4G Services.

The blatant policy violation in telecom sector witnessed in the year 2014 till 2019 was predatory pricing that R Jio was allowed to indulge in for five years in order to ensure that R Jio becomes king of data in the country and with unbridled freedom

and in blatant violation of telecom policy it has been allowed to become king of data by the present Government.

R Jio was allowed to illegitimately capture entire data market at the cost of growth of other telecom operators. The policy violation that R Jio was allowed is strictly forbidden by International Telecom Union standards.

By virtue of this policy violation, other private operators also suffered huge losses but they were adequately compensated by the Government by waiving of Rs 1, 64,000 crores that they owed to the Govt. In one stroke, the Government in the year 2020 waived off this entire amount to compensate them for the losses they suffered because of predatory pricing that R Jio was freely allowed to indulge in.

It is interesting while private operators together owed about Rs. 5 lakh crores towards Public Sector Banks (PSBs), the debt of BSNL was hardly Rs 15,000 crores. And the entire amount that private operators owed towards PSBs has been converted into NPAs.

What is of critical importance is that despite allocation of 4G spectrum to private operators more than ten years before, BSNL is not allowed to roll out 4G Services even 10 years after private operators have rolled 4 G Services.

Well calibrated and diabolical moves of the Government have not permitted BSNL to roll out 4G Services till date on extraneous grounds. Initially, 4G spectrum was not allocated to BSNL till year 2020 and when it was allocated, suddenly Niti Aayog felt that BSNL should not be permitted to procure equipment from European vendors, the way Private Operators were and are allowed to procure. Instead, Niti Aayog loudly proclaimed that BSNL should have indigenous 4G equipment. And indigenous 4G equipment is yet to see light of the day. No one knows when indigenous 4G equipment would be ready. These are all carefully maneuvered, calibrated devilish moves of the Government to ensure that BSNL is not in a position to provide 4G services to protect cartelization and vested interests of private operators at the high cost of users of telecom.

Having said that, it is extremely pertinent to mention that sustained struggle of BSNL workers has ensured BSNL is not privatized despite concerted moves by the Government to privatize it. Proudly today, because of the unrelenting struggle by workers of BSNL, Government holds 100 % share in BSNL and BSNL is the only CPSU where Government holds 100% stake.