

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:319

ANSWERED ON:22.07.2015

Separate Towers Company by BSNL

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

- (a) whether the Bharat Sanchar Nigam Limited (BSNL) is planning to form a separate tower subsidiary company;
- (b) if so, the details thereof and the reasons therefor and the time by which the company is likely to be operational;
- (c) whether BSNL is sharing and leasing out its tower assets and infrastructure with or to some private operators and if so, the details thereof;
- (d) whether the private operators are not paying the lease rent to BSNL and the BSNL is not adequately compensated for infrastructure sharing and if so, the details thereof and the action taken by the Government in this regard; and
- (e) whether BSNL has reported a net loss of Rs. 7,000 crore in 2014-15 and if so, the reasons therefor and the action taken to improve the situation?

Answer

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

(a)&(b) Yes Madam.

BSNL has tower assets consisting of about 64,500 towers. BSNL has also leased tenancies in more than 14,000 locations from other tower companies to meet coverage requirements and business expansion needs.

The proposal to establish a separate company for holding and managing the tower infrastructure assets of BSNL will enable the new company to unlock the true potential of the tower business and leverage it for expansion of investment and spread of infrastructure

(c) BSNL has informed that it is sharing its passive infrastructure and towers assets with private telephone operators since 2009. BSNL has so far leased out 5471 towers to various private operators and earned a revenue of Rs.432.60 crores upto May, 2015.

(d) BSNL has reported that Private telecom operators are paying the lease rent as per commercial terms and conditions according to the Master sharing agreement (MSA) signed with them.

(e) BSNL has reported that the accounts of BSNL for the financial year 2014-15 are under finalization and as per unaudited statement of accounts total loss incurred is Rs.7,265 crores.

BSNL is in financial distress and facing declining revenues from loss of market share and increasing expenditure. BSNL has been unable to invest in expansion of its network over the period 2009-2013. Other reasons like power supply problem, disruptions due to cable cuts arising from road development works, breakdown of cables due to old legacy network of basic service, cable theft etc. are also affecting the services of BSNL. The reasons for decline in mobile connections are mainly due to inadequate investment leading to network coverage issues, inability to compete with private sector on the customer services and marketing.

BSNL is taking several steps to enhance revenues through investments to strengthen its network and focus on customer care and service delivery to improve quality of service. These include:

â€¢ 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.

â€¢ 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.

â€¢ 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.

â€¢ Introducing free night calling tariff plans for wireline customers to arrest decline in customer base, acquire new wireline customers, improve network utilization and increase market share.

â€¢ Introduction of free national-roaming on pan-India basis for its mobile customers as a measure to retain/increase mobile customer base.
