BSNL shortlists six cos to hire towers

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MUMBAI: State-owned Bharat Sanchar Nigam Ltd (BSNL) has shortlisted six companies—GTL, Quipo, Essar, XL Telecom, TVS and Aster Teleservices—to hire cell towers. This is the first time that the national telecom major has sought to take any infrastructure-based support from other telecom companies.

The six companies have been chosen from a long list of bidders that included the likes of Bharti, Reliance and Essar, who together have nearly 1 lakh towers across the country. BSNL has gone for independent tower companies rather than service providers.

The move comes at a time when the state-owned company was losing out to private service providers due to its decision of not leasing from third-party tower companies.

"At a time when telecom providers are increasingly depending on each other for their passive infrastructure needs, BSNL's insistence on using its own infrastructure to cater to the ever expanding cellular base was creating competitive losses for the company. This shortlist is a sign that the PSU is now going with the industry trend," said a Mumbai-based analyst.

A senior company official said BSNL would now negotiate with each of these companies and offer the contract area-wise, depending on the price and availability of towers in the required area for BSNL.

"In areas where these companies do not have a tower, but BSNL has a requirement, the companies would be asked for quotations for building a tower and accordingly BSNL would ask them to erect towers in such areas and rent it to the state telecom major," the official told ET.

Earlier, BSNL had floated a tender seeking expression of interest from companies willing to offer their infrastructure on lease, following which there was a beeline of telecom companies offering their services to the telecom PSU. As per the bid document, BSNL wanted to get into a hiring agreement with the infrastructure providers for 15 years, that can be extended by five years.