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Ministry of Communications & Information Technology

SCRAPPING OF TENDER FOR GSM LINES

In view of the objections made by Central Vigilance Commission (CVC) and further recommendation made by Sam Pitroda committee constituted to review the position of BSNL, BSNL Board on 21.05.2010 has decided to cancel the tenders for procurement of 93 million lines for GSM equipment by the four zones of BSNL.

The salient features of the recommendations of the Sam Pitroda Committee are as under:

* Focus on selection of the best professionals from the market at market rates.
* Appoint an eminent person from the private sector as the Chairman.
* Separate the post of the Managing Dirctor/ CEO (from CMD).
* Change the Board composition to seven directors {one internal (MD/CEO), one non executive chairman, two government nominee and three external directors}.
* Provide three year contracts with specific targets for all key management team members.
* Establish four independent business units for Fixed access, Mobility, Enterprise and New businesses.
* Complete ITS absorption process.
* Induct significant young talent in Technology, IT, marketing, sales, etc.
* Retire or transfer around 100K employees through processes like VRS.
* Change procurement processes and procedures substantially using tools such as e-Procurement, vendor rating, rate running contracts, schedules, etc.
* Disinvest 30% through Indian strategic investor and at Initial Public offering (IPO) to return 10% to the government and use 20% for employee VRS, expansion and operation.
* Provide 30 million new high speed broadband connections in the next three years.
* Unbundle local loop for public and private companies.
* Proactively offer sharing of active and passive infrastructure to other operators.
* Enchance rural communication facilities by connecting 250,000 panchayats.
* Create a separate subsidiary company for tower related infrastructure.
* Create a separate subsidiary to hold land bank and other real estate assets.
* Establish a BSNL venture fund to invest and/or acquire small appropriate technology companies.

The Central Vigilance Commission exercises superintendence over the vigilance administration of the various Ministries of the Central Government or corporations established by or under any Central Act, Government Companies, societies and local authorities owned or controlled by the Central Government or otherwise in terms of Section 8(1) (h) of 'The Central Vigilance Commission Act, 2003.' However, no such surveillance has been put on by the Commission on the routine procurement and tendering process in BSNL.

This information was given by the Minister of State for Communications and Information Technology, Shri Sachin Pilot in a written reply to a Question in Rajya Sabha today.