

Department of Space waives of bandwidth charges payable by Bharat Sanchar Nigam Ltd

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KOLKATA: The [Department of Space](#) (DoS) is set to waive satellite bandwidth charges payable by [Bharat Sanchar Nigam Ltd](#) to sustain the state-run telco's operations in the Andaman & Nicobar, Lakshwadweep archipelagos and strategic border regions across the Northeast, according to an internal telecom department note seen by ET.

Telecom secretary M F Farooqui has recently urged [DoS](#) to consider such waiver as the 60% spurt in satellite transponder charges from April 2012 has undermined the viability of BSNL's operations in these regions, which in turn, would hurt its financial position, the note shows.

The DoS has told Farooqui that "waiver for [BSNL](#) would be included as an agenda item" in the next [INSAT Coordination Committee](#) (ICC) meeting due soon.

DoT sought the waiver for BSNL since telcos operating in these region are compelled to use expensive satellite bandwidth because of the inhospitable terrain, making it nearly impossible to establish connectivity using optical fibre or microwave resources.

Cash-strapped BSNL may also be allocated additional transponders in the INSAT-4 satellite system or be allowed to hire capacity from global satellite operators like [MEASAT](#) and [ThaiComm](#) at rates below what [Antrix](#) Corp charges for tapping foreign satellites. Antrix is the commercial & marketing arm of Indian Space Research Organisation (Isro).

The BSNL leadership recently told Farooqui that providing coverage in Andaman & Nicobar islands, in particular, is "not remunerative" due to the huge mismatch in coverage costs and revenue. For instance, though the telco spent Rs 122.18 crore towards operations in 2012-13, it earned only Rs 48.16 crore as revenue. Nearly 54% of such annual cost was towards satellite transponder charges.

Matters have reached a head after a crucial satellite, the [INSAT-3E](#), which was being used extensively by BSNL for telecom coverage in A&N islands, crashed on April 9.

When BSNL approached Antrix for additional transponders to sustain coverage between Kolkata and the A&N islands, the Isro arm said such capacity was only available on select foreign satellites "at five times the current cost".

At present, BSNL pays an annual charge of \$1 million per transponder. What's more, its proposal to hire transponder capacity from MEASAT and ThaiComm rates was dismissed as these were not among the foreign satellites on offer from Antrix. This was despite MEASAT's willingness to offer capacity at a fractionally higher of \$1.15 million per transponder, which is well below what Antrix's panel of foreign satellite operators will charge BSNL.

Following Farooqui's intervention, the DoS is likely to persuade Antrix to allow BSNL to opt for a more cost-effective option by reaching out to MEASAT or ThaiComm. It is also likely to urge the A&N administration to compensate BSNL for additional costs incurred to migrate to foreign satellite systems for ensuring uninterrupted telecom coverage in the archipelago.



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