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BSNL to Get Satellite Fee Waiver for Link in Strategic Areas

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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, Lakshadweep archipelagos and strategic border regions across the Northeast.

Telecom secretary MF 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, according to an internal telecom department note.

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.

The telecom department (DoT) sought the waiver for BSNL since telcos operating in these regions 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 trans-

ponders 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 ₹122.18 crore towards operations in 2012-13, it earned only ₹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.