

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA): (a) to (d) BSNL has sought continuation of support towards rural wireline connections on phasing out of Access Deficit Charge (ADC). The Telecom Regulatory Authority of India (TRAI) has made interim recommendations of Rs. 600 crores as support.

**Synergising the operations of BSNL and MTNL**

3929. SHRI A. ELAVARASAN: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Department of Telecommunications (DoT) has finalised a policy decision to enable State-run telecom firms BSNL and MTNL to synergise their operations without a merger;

(b) if so, the details thereof;

(c) whether the merger of the two has been put on hold because of various issues and the synergy would allow these firms to cut costs with their falling revenues and profits; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA): (a) to (d) To bring about synergies between various telecom units of Department of Telecommunications (DoT), a committee was constituted by DoT in May, 2011. One of the Terms of Reference of the Committee was to study and suggest the feasibility of merger of MTNL and BSNL to form a strong organization to meet the needs of telecom sector. The committee has submitted its report in Dec., 2011. The committee has mentioned in its report that the merger of BSNL and MTNL is recommended as a desirable goal. However, before merger, the issues arising from MTNL being a listed company, financing of costs involved in the merger and the HR issues, e.g. differences in pension administration mechanism, pay scales and other HR policies of the two organizations need to be essentially addressed first. Since resolution of these issues would be time consuming, therefore, at this stage, creation and recognition of synergistic alliance of these organizations needs to be encouraged through appropriate policy interventions and support for optimum utilization of their resources and strengths to their mutual benefit.