

No.SNEA/Kerala/2020-21/II/109

dated at TVM

the 3rd June 2020

То

Sh. C V Vinod, Chief General Manager Telecom, BSNL, Kerala Circle, Thiruvananthapuram-33

Respected Sir,

Sub: Need for prompt and timely renewal of lease agreements executed with owners of land/building acquired for construction of Ground Based & Roof Top Towers, all existing towers need to be made available for ensuring uninterrupted telecom services and deployment of 4G BTSs, our apprehensions and suggestions, reg:

BSNL has invested substantial amount for constructing thousands of telecommunication towers for managing its telecom operations in circles. Majority of them have been constructed after acquiring appropriate land/building on need basis by executing lease agreements with owners valid for mostly fifteen years. The financial crisis being faced by BSNL over the past two years has badly affected timely payment of rent to those site owners which inturn has created many difficulties to field units in carrying out effective operation and maintenance of passive infra & BTSs. Further, it is learnt that BSNL Corporate Office has initiated steps for large scale 4G rollout PAN India by installing LTE equipments in existing towers through Ph.8 Add-on upgrade/Ph. 9 tender in all Circles. To ensure uninterrupted wireless telecom services utilizing the existing towers and to facilitate hassle free roll out of the proposed LTE deployment, it is very much essential to ensure site readiness of all towers including leased ones in all respects.

In this regard, the following may kindly be noted.

- Validity of lease agreements executed for commissioning BTSs in GBTs & RTTs during the earlier phases of GSM expansion is expiring in coming years. Several hundreds of BTSs were commissioned in GBTs/RTTs after 2005 by acquiring land/buildings at prominent locations on lease by executing agreements with site owners for a period of fifteen years. Many such lease agreements are either expired or about to expire soon.
- 2. Majority of site owners are reluctant to renew lease agreements with BSNL citing reasons like inordinate delay in payment of monthly rent, unattractive rent hike being offered, etc. Most of

them are not even ready for negotiation and demanding early exit which would affect our service quality and infra sharing business very badly.

- 3. Site owners are denying entry to maintenance personnel, locking their premises and sometimes going to the extent of switching off BTS equipments creating many hurdles in operations & maintenance of BTSs/infra elements thereby badly affecting proper upkeep of mobile network availability in BAs.
- 4. Many owners have already given notice for vacating their premises; many of them have already approached various courts demanding our exit after expiry of lease agreement.
- 5. Most of the towers commissioned prior to Ph.5 were mostly 40m/60m GBTs which are ensuring vast coverage along potential places in many rural, sub urban and urban areas. Hence, our exit from those towers would cause irreparable damage to BSNL in terms of its mobile coverage leading to loss of huge customer base and revenue.
- 6. Further, costs to be incurred for dismantling of towers, loading/unloading charges of recovered materials, transportation, storage etc would be very high. If the site owner insists for removal of tower foundation, expenditure to be incurred would be too high and that would be very much detrimental in the current financial situation.
- 7. To ensure continued telecom service at those locations after vacating of towers, if warranted, we may have to go for new site acquisitions and tower constructions, which would be very much difficult in the present financial situation and due to public protests in many places.
- 8. IP site acquisitions in lieu of existing acquired towers would also be a costlier affair.

To instill confidence among prospective site owners and to bring them all to our fold for positive negotiations to facilitate prompt renewal of lease agreements, we need to arrange adequate fund from Corporate Office to clear all their dues immediately.

The following may also be considered.

- 1. A dashboard may be created at circle level preferably in Kerala Intranet or OMCWEB platform, wherein database of all existing acquired towers can be updated with particulars like type of tower (GBT/RTT/Mast/Pole etc), date of executing lease agreement, validity of agreement, expiry date of agreement, village name, taluk name, site address, pincode, vendor code of site owner, rent amount being paid, existing dues to owner, protests, infra sharing details, LT/HT traffic, customer count, fair value of land, commercial importance, presence of network elements other than our BTSs like DSLAM/OLT etc.
- 2. The dashboard would help BAs to present the existing status with all relevant details of acquired GSM towers to the Circle administration in the most convincing manner.
- 3. The Circle administration can properly guide BAs including matters on financial clearance, if required during HPCs, for ensuring timely renewal of such lease agreements well in advance.
- 4. The financial support to be ensured from BSNL Corporate Office for timely payment of monthly rent to site owners, clearing of pending dues to them etc can be very well planned and

projected in advance every year which would be very much helpful to BAs in managing such sites and vendors more effectively.

- 5. Offering of rent hike matching market rates to the site owners for renewing agreements during HPC by BAs would be the most critical activity. Circle can very well guide BAs in this regard considering the existing traffic pattern, customer base attached to the BTSs, existing infra sharing, future sharing prospects, criticality of the location etc.
- 6. Collection and updating of database would be a onetime affair which can be further purified and strengthened by the Circle and BAs for many future purposes including promotion of passive infra sharing business using a single window concept as being done by major infra providers at present.
- 7. Finally, this would ensure deployment of a fair and transparent mechanism in Kerala Circle for managing its real estate taken on lease and timely renewal of agreements in the most effective and scientific manner which would inturn bring long term benefits to BAs, Circle, Infra sharing partners and the site owners.

It is requested that Circle Administration may consider our suggestions positively and take all out proactive efforts to ensure availability of all existing GBTs/RTTs for ensuring uninterrupted and quality telecom services to our esteemed customers and to utilize them during the upcoming LTE project which is considered to be a lifeline and game changer one as far as revival of BSNL is concerned.

It is requested to consider the above suggestions, please.

Thanking You,

Sincerely Yours

Jithesh K P Circle Secretary SNEA Kerala Circle

Copy to GS, SNEA CHQ, New Delhi