



**ALL INDIA  
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No. AIBSNLEA/CHQ/CMD/2010

DATED 09.08.2010

To,

**Shri Gopal Das**  
**Chairman cum Managing Director**  
**BSNL**  
**NEW DELHI-110001.**

**Sub: Early finalisation of BSNL's 5.5 Million lines GSM Tender for expansion of GSM Network in North and East zones.-Reg**

Respected Sir,

We would like to draw your kind attention on the subject mentioned above and want to stress on the following points for your kind information.

1. BSNL has floated the 5.5 Million GSM line tender on 23.06.2010 for fulfilling the urgent requirement of GSM lines in the few circles of North and East zones. The last date of receipt of tender was 22.07.2010. The three vendors (Ericsson, NSN and Alcatel Lucent) were allowed to participate based on the prevailing security guidelines issued by DoT. Now BSNL is evaluating bids for Core and Access networks separately which is expected to be completed shortly.
2. This 5.5 Million lines requirement was for fulfilling the requirement in financial year 2010-11 and this project has to be completed in time bound manner because some circles in **North and East zones are passing with a capacity crunch and scarcity of equipments.**
3. In past Govt. of India has constituted a standing committee on the issue of national security. Many eminent persons from the telecom field and defence were the members of this Committee and after many marathon meetings; this Committee has decided that Chinese vendors should not be allowed for the procurement of telecom equipments in the Border Areas. In fact DoT has already clarified in it's letter dated 14.05.2009 that there should not be any procurement from the Chinese vendors and DoT has again clarified in it's dated 05.07.2010 that it has not withdrawn the letter dated 14.05.2009 i.e. it still stands. In other words BSNL has not received any instructions from DoT that it should allow Chinese vendors for the procurement.
4. DoT vide no. 10-15/2009-AS.III/Vol.II/(Pt.)(29) dated 28.07.2010 has issued "Amendment to the UASL/Basic/CMTS license agreement for security related concerns for expansion of Telecom Services in various zones of the country" .It is learnt that based on this, Chinese vendors has now requested to provide with the 5.5 Million GSM Tender document for which they are ready to submit the bids within three to four weeks time. BSNL should have clear cut guidelines from DoT in this regard. Even if guidelines are not received , the participation from Chinese vendors at this time means that tender has to be cancelled and re floated . At this stage when the tender evaluation work is in advance stage, it will not be proper to further cancel the process and going for re-

tendering. It will simply delay the process and when BSNL is on urgent need of GSM equipment in the North and East zones of the country.

5. It is learnt that the prices offered by a Chinese vendor in September 2008 during Phase VI tender were comparable by the prices offered by European vendors offered in March 2006 during Phase V tender. **So it is not totally true that Chinese products are available at low rates.** Further, it is felt that on of the Chinese's vendor's performance in CDMA equipment supply to BSNL is also not up to the mark
6. BSNL has already constituted a committee for deciding the future course of Action for procurement of GSM equipment for future needs for all the zones. Chinese vendors can participate in that tender, if DoT allows them to participate in that in near future.

So based on the above grounds we would therefore request you to kindly finalise the ongoing process of evaluating bids for 5.5 million GSM lines tender for early procurement of the GSM equipment for the Growth of BSNL.

With kind regards,

Yours Sincerely,  
-sd-  
**(Prahlad Rai)**  
**General Secretary**

Copy to:

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2. Shri P J Thomas, Secretary (T) and Chairman TC, Govt.of India, New Delhi 110 001
- 3..Shri R K Agarwal, Dir(CM), BSNL CO, New Delhi.