

PRESS RELEASE

CDMA CLAIMS FRIVOLOUS & BASELESS SAYS COAI

New Delhi, July 23, 2008...COAI today responded strongly to the serious misinformation campaign and confusion being orchestrated by the CDMA camp with regard to the allocation of 2G spectrum to GSM operators.

Reacting to the allegations, Mr. TV Ramachandran Director General, COAI, termed the entire campaign as frivolous, dishonest and misleading and stated that such actions could only be seen as desperate attempts to pull down a performing industry.

He stated that the claims of the CDMA were anchored entirely on baseless assumptions and wilful misinterpretation of license terms.

He pointed out that the license terms clearly prescribed in a number of places (Clause 23.5 and Clause 43.5) that additional spectrum would be allocated as per guidelines issued by the DoT from time to time and that such allocations would be based on the principles of usage, justification and availability.

He said that the CDMA operators were deliberately choosing to misread one phrase in one clause of license which said that not more than 6.2MHz would be given to a new licensee. He stated out that a licensee was new only when he was being allocated start up spectrum and thus clearly, the cap applied only to start up spectrum. Thereafter, the subscriber link criteria was followed and further that this approach was applied not just for GSM but also the CDMA operators.

The fact that there was no cap on spectrum was also borne out by the order issued by DoT as recently as January 2008, which states that 15 MHz is the "present upper limit for spectrum".

Mr. Ramachandran said that the license terms had been acted upon by successive Governments and administrations and guidelines had been issued from time to time providing for allocation of additional spectrum to GSM operators to meet their growth requirements. These allocations had been made as per the laws of the land through Government orders that were notified openly, followed equally for all operators and had worked successfully.

Mr. Ramachandran expressed shock at the allegations of the CDMA stakeholders which, he said, were tantamount to raising fingers at every government & administration over the last decade and accusing them of acting in an extra-constitutional and unauthorized manner. He stated that such allegations should be viewed very seriously and strict and swift actions should be taken against persons indulging in such slanderous activities.

Mr. Ramachandran also expressed astonishment as to how AUSPI /CDMA could now develop selective amnesia and make such baseless allegations since they had been personally involved in a Government exercise in 2003 and were signatories to a Report that had outlined a roadmap of upto 15MHz spectrum per GSM operator.

Mr. Ramachandran clarified that the charging principles for allocation of additional spectrum were also laid down in the license and that as per these principles and as per Government notified orders, the GSM operators had been paying higher revenue share license fees for additional tranches of spectrum. He pointed out that given the growing revenues of the industry, the revenue share approach was yielding far higher revenues for the Government than a one-time charge.
