



Press Release

Cellular Industry Cries Foul Over DoT Penalties

21st October 2011: At a meeting convened today with Mr. Kapil Sibal, Minister of Communications & IT, at the request of the CEO's of all the leading cellular operators, the Industry raised the concerns of the onerous penalties being levied by the DoT on the operators. Many of the penalties are for minor technicalities and compliances with regulations and directives that are unclear and on which the Industry itself has sought clarification from the DoT. A maximum penalty of Rs. 50 crores is levied without any reasoning or personal hearing. In fact levying Rs 50 crores penalty has become more of a norm than an exception.

The Industry represented by CEO's and senior officials from COAI and AUSPI highlighted that the practice of the local TERM cells to audit, determine infringement and also levy a penalty is against the principles of natural justice where the local TERM Cell is positioned as the judge, jury and executioner.

The Minister was open and receptive to Industry concerns. He indicated that he has already directed DoT to evolve guidelines to reduce the element of discretion and make this process as scientific as possible.

Service Providers also brought to the front the reservations and understanding of DoT on the issue of **Intra circle roaming arrangements for 3G spectrum**. The 3G Intra-Circle Roaming is not an infringement of the licence conditions but is well within the ambit of Licence as clarified by DoT at various foras. **Today's statement by the Minister in his interaction with the media gives industry the hope that this would be viewed positively and in the best interests of the customers.**

Mr. Rajan S. Mathews , Director General of COAI, commented, "We extend our gratitude towards the Honorable Minister Shri Kapil Sibal for his positive approach and initiatives towards the well-being of the Indian Telecom industry and for looking into the vital concerns at a time when the industry is at peril. The Minister has promised to address the concern areas at the earliest."

About COAI:

The Cellular Operators Association of India (COAI) was constituted in 1995 as a registered, non-profit, non-governmental society dedicated to the advancement of communication, particularly modern communication through Cellular Mobile Telephone Services. With a vision to establish and sustain a world-class cellular infrastructure and facilitate affordable mobile communication services in India, COAI's main objectives are to protect the common & collective interests of its members. (<http://www.coai.in/>).