



Press Release

3G Intra Circle Roaming - No Violation of Legal, License or Regulatory Conditions

New Delhi, 3rd November 2011: The Cellular Operators Association of India (COAI) in a Press Conference today made clear that there were no legal or regulatory issues that precluded Airtel, Vodafone and Idea from entering into Intra-Circle Roaming agreements that allowed them to provide 3G services to their Customers. Mr. Rajan S Mathews, Director General, COAI, was emphatic that these arrangements were in the larger interest of Consumers and allowed the benefits of scarce and limited broadband spectrum to be provided to a larger segment of the population. This was clearly in the interest of consumers and conforms to the national goal of providing Broadband to all.

Further, the Intra Circle Roaming arrangements allowed for efficient utilization of spectrum and of promoting broadband penetration which has been shown to have significant benefits to overall GDP growth of the nation. It brings additional revenue to the Government without putting any immediate pressure on the Government to increase the availability of 3G spectrum. There are no losses to the Government exchequer due to 3G Roaming as has been alleged. Apart from the benefits that 3G intra-Circle Roaming offers.

Mr. Rajan S Mathews, further stated that NO/ LEGAL/ LICENSE / REGULATORY CONDITIONS HAVE BEEN VIOLATED in the process of offering 3G Roaming services to the consumers of all operators, across the country, and that the operators intend to vehemently protect their interests which they believe they have accrued by successfully bidding for the 3G spectrum in amounts far in excess of what the government itself expected.

It must be noted that the 3G auction of 2010 was designed and executed with transparency and care to specifically guard against collusive activity and hence the industry participated enthusiastically after clarifying all policy related issues. However, it is now dismaying as well as astonishing to be facing such a misleading and protracting disinformation campaign against the Intra Circle Roaming arrangements being followed by a number of Industry entities.

COAI has submitted that these false statements are being orchestrated for serving vested interests. This is clearly shown by the fact that all the issues and circumstances were known to the government and regulator for nearly a year when BSNL attempted to do much the same and when the DoT was informed of the Intra-Circle Roaming agreements by the Companies. The sudden flurry of interest appears to have been orchestrated by certain vested interests who have taken pains to write detailed submissions to the DoT and others which have now been adopted as the "official understanding".

DoT's critical intervention is required based on the following irrefutable facts:-

1. The UASL licenses clearly permit the operators to provide "all types of **access services**"

2. Indisputably, **2G, 3G, 4G are all merely different technologies for access services** - all permissible in our technology-neutral UASL environment;
3. A **separate or different license is not required** for 3G;
4. The 3G Auctions of last year auctioned **2.1 GHz spectrum - not 3G licenses**;
5. The license was amended only for the use of 3G spectrum whereas the services that could be offered continued to be governed by the original/un-amended license;
6. ICR is, again, explicitly permitted by the UASL license. On 12 June, 2008, a specific license amendment to this effect was issued by DoT.

It was also clarified by DoT, in the Q&A session prior to the 3G Auctions, whether customers of UASL licenses who do not hold 3G spectrum would be allowed to roam in the 3G networks of other UASLs in the same licensed area;

The DoT had responded clearly stating that "**The roaming policy is applicable to the licenses and not to the specific spectrum bands**. Hence **ROAMING WILL BE PERMITTED**."

Given that the private operators have full-fledged UASLs in all concerned service areas, it is preposterous to allege that they are acting as MVNOs! Similarly, terming 3G ICR as spectrum sharing when spectrum is owned and managed only by the roaming provider is outrageous.

COAI is happy that the DoT has clarified to TRAI about two weeks ago – that "Intra Service Area roaming in 3G networks where one of the operators does not have 3G spectrum shall not be treated as spectrum sharing."

Based on both the license conditions as well as the explicit written clarification before the 3G auction from DoT, bidding in the 3G auction took place on the clear understanding that such arrangements are legal and permissible.

It is also notable that the practice of Intra Circle roaming in the 3G spectrum band is strongly in line with the Centre's vision of "total broadband penetration by 2017" as presented in the Draft National Telecom Policy 2011 announced recently and would be one of the most essential components in achieving this crucial objective.

The COAI, on behalf of its members, has respectfully approached the Honorable Minister Shri Kapil Sibal to intervene urgently and put matters into the right perspective while at the same time ensuring that all stakeholders involved be treated with fairness and the common interest of the sector be upheld. COAI will vehemently protect the interest which was meant to be sustained through the bidding of the 3G spectrum and seeks strong acceptance and support from the Government in doing so.

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/>).