

In the shadow of Tata-Chandrasekhar letter war..

CANNY KAPIL EXTENDS 2G PROBE TO BJP

By Mail Today Bureau in New Delhi

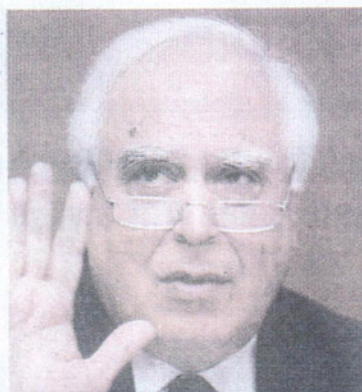
THE GOVERNMENT on Thursday announced a probe into the issue of telecom licences and spectrum allocation that seemed aimed at putting the Opposition Bharatiya Janata Party (BJP) on the mat.

The announcement came on a day when Tata chairman Ratan Tata, while responding sharply to an 'open letter' to him by Rajya Sabha MP and telecom entrepreneur Rajeev Chandrasekhar, called for a probe into telecom licences and spectrum allocations made since 2001 when the BJP-led National Democratic Alliance (NDA) was in power.

Later in the day, the government said a one-man committee of retired Supreme Court Justice Shivaraj V. Patil will probe the alleged irregularities beginning 2001.

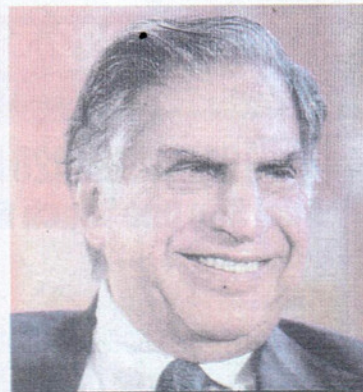
"We want to look at whether internal procedures were followed or not, if they were deviated from, to what extent, and who was involved in the deviation, if any. We are looking at internal procedures

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“One-man panel will examine DoT procedures in issuing of licences and allocation of spectrum during 2001-2009”

— KAPIL SIBAL



“We applied for spectrum only after the DoT announced its dual-crossover tech policy on October 19, 2007”

— RATAN TATA



“Main issue is the gap between what Tata says, his probity... and his company's conduct, which he hasn't addressed”

— RAJEEV CHANDRASEKHAR

Sibal puts BJP under lens to drown JPC din

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adopted by the DoT (Department of Telecommunications) during the period 2001 to 2009 for the issuance of licences and allocation of spectrum," telecom minister Kapil Sibal said.

He said the committee will examine procedures, policies and direction of the DoT and the government, and if they were consistently followed or not. "We are relying on the judge to tell us what was right and what was wrong," Sibal said.

In 2001, the government did not follow the auction route but allocated spectrum on a first-come-first-served basis. Former telecom minister A. Raja, who is in the centre of the 2G controversy, has maintained that he was following his predecessors while going by the 2001 policy on spectrum allocation.

The probe announcement was made against the backdrop of a no-holds-barred letter war on telecom licences and spectrum allocation between Tata and Chandrasekhar that took on heavy political tones. In an 'open letter' to Tata, Chandrasekhar had challenged his views on out-of-turn spectrum allocation, 'hoarding' of spectrum by incumbent operators and the flip-flops in telecom policy. He said the Tatas, in fact, had benefited from this policy flip-flop.

With a response that would have bolstered the government position against the Opposition, Tata countered Chandrasekhar's accusations. Clearly aligning himself with the current government and against the Opposition BJP, Tata wrote, "Your affiliation with a particular political party is well known and it appears that their political aspirations and their endeavour to embarrass the Prime Minister and the ruling party may well have been the motivation behind your letter and the insinuations which you make."

He charged that most of the so-called 'flip flops' in telecom policy had occurred during the previous NDA regime, and called for a probe into telecom licences and spectrum allocations since 2001.

In his sharply worded rebuttal, Tata accused "politically motivated operators" of actively subverting policy and that their actions continued to be "condoned or ignored."

He accused Chandrasekhar of lobbying to block the entry of new technologies and players during his stint as a telecom entrepreneur - Chandrasekhar founded BPL Mobile. Tata claimed that in 2002, Chandrasekhar, along with Nussli Wadia, had even asked him to sign a letter appealing to the then PM Atal Bihari Vajpayee to bar basic telephony operators offering wireless local lines using CDMA technology from entering the mobile telephony space.

Honchos' spat stokes political controversy

Denying that Tata Teleservices - the group's telecom arm - was in any way favoured by 2G scam-tainted former telecom minister A. Raja or others, he said that Tata Tele was the only operator to have returned excess spectrum and had also been denied spectrum in Delhi and 38 other districts despite having applied for it under a valid licence in 2007 itself.

Chandrasekhar responded by telling media persons that he had not written the 'open letter' to Tata at the BJP's behest.

Sibal's move to probe spectrum allocation from 2001 onwards is being seen as a political move to tame the BJP and its allies. "These (BJP) people are playing politics. They are looking at the election in 2014," Sibal said.

Sibal said that Tata's remarks had exposed the Opposition. "I guess he (Ratan Tata) must be making that statement with some kind of knowledge and informa-

WAR OF WORDS GETS HOTTER

NOVEMBER 7

■ In an open letter, Rajya Sabha MP and former telecom entrepreneur Rajeev Chandrasekhar accuses Tata of being one of the biggest beneficiaries of the government's telecom policy

■ Tata Group supremo Ratan Tata reacted sharply, saying the letter was surprisingly devoid of facts and sensationalist

NOVEMBER 9

■ In his rejoinder, Tata questions the motives behind Chandrasekhar's letter given his affiliation to the BJP and deemed it an attempt to embarrass the Prime Minister

■ He pointed out Chandrasekhar's alleged role in 2002 to prevent entry of Wireless in Local Loop (WLL) limited mobility and CDMA and questioned why Chandrasekhar himself was trying to influence politicians and solicit support from select corporations

■ Tata wondered why Chandrasekhar has sought to denounce Tata's association with Nira Radia after nine years, particularly when he himself had interacted with her on some occasions in the past



Nira Radia (left), BJP spokesperson Prakash Javadekar (right).

■ Chandrasekhar, who equated Tata's reaction with someone shooting the messenger, rebutted the charges - saying Tata was trying to divert the issue, which is the gap between the group's claim on probity and conduct of their telecom venture TTSL.

■ Leader of the Opposition in the Lok Sabha Sushma Swaraj termed Tata's letter a 'spit and run' and questioned why people were "making allegations and then running away".

■ BJP spokesperson Prakash Javadekar said Tata's views would not be given much importance as he was a beneficiary of the UPA's telecom policy



Sushma Swaraj

TELECOM POLICY IN NDA'S TIMES

IN 2001, the NDA government allocated spectrum on a first-come, first-served basis and did not auction it.

The late BJP leader, Pramod Mahajan, who was the telecom minister during 2001-2003, implemented the New Telecom Policy of 1999 (NTP 1999) - formulated to help a sagging industry recover.

The earlier practice of a fixed licence fee was replaced by a revenue-sharing agreement. The CAG's 1998-99 report mentioned that by allowing the migration of licensees to a revenue-sharing pattern, a huge loss had been caused that was difficult to assess.

Mahajan was sacked after the privatisation of the

Videsh Sanchar Nigam Limited (VSNL) became mired in controversy. It is alleged that he managed to amass an estimated ₹2,500 crore, besides giving favours to Reliance Communications.

Arun Shourie, who was the NDA's telecom minister during 2003-2005, approved granting the United Access Service Licences (UASL) on a first-come, first-served basis. He too was accused of favouring certain players.

Tainted former telecom minister A. Raja has maintained that he was merely following in the footsteps of his predecessors while allocating the 2G spectrum.

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be investigated, senior BJP leader Murlidhar Joshi saying that the PAC is capable of probing the scam and non-Congress leaders such as former PM and JD(S) president Deve Gowda and CPI leader Gurudas Dasgupta saying that the demand for JPC which has disrupted the winter session would not continue into the budget session of Parliament.

The party has also taken steps to keep the allies together. Party leader Pranab Mukherjee had a meeting with NCP chief Sharad Pawar, Trinamool Congress supremo Mamata Banerjee and DMK leader Dayanidhi Maran on Thursday. Sources said Mukherjee plans to hold a structured meeting with all the allies after the winter session of Parliament.

Using Tata's statement, the Congress on Thursday attacked the BJP saying it was shying away from a debate on the 2G issue as its top leadership was involved in taking wrong decisions when the NDA was in power, which led to a loss of ₹60,000 crore to the government.

"Is it not a fact that in July 1999 immediately after the Kargil war the then Prime Minister Atal Bihari Vajpayee took the communication portfolio from Jagmohan and helped the telecom companies which resulted in loss of Rs 60,000 crore to the country?" Congress spokesperson Manish Tewari said.

Kapil Sibal

tion. I cannot comment on that."

For its part, the BJP refuted Tata. "He is not a judge. He may not know much about what has actually happened," BJP spokesperson Prakash Javadekar said.

Leader of the Opposition Sushma Swaraj was quoted by PTI as saying, "Somebody makes an allegation and then runs away. Why not form a JPC, which can call Ratan Tata, Rajeev Chandrasekhar and all those whom the committee

deems should be called to probe the scam?"

Meanwhile, the Congress seemed smug about the developments. The party felt its position vis-à-vis the BJP had been buoyed by several factors - Tata's suggestion that the spectrum regime from 2001 should

