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3G roaming deals among telcos to have negative impact on govt revenue: DoT

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NEW DELHI: The [Wireless Planning and Finance](#) wing of the telecoms department (DoT) has warned that the [3G roaming](#) deals among telcos will have 'negative revenue implications for the government', marking the third instance of an internal section in the communications ministry ruling against such alliances.

Earlier this year, Bharti Airtel, [Vodafone](#) Essar and Idea Cellular had entered into 3G roaming alliances that enabled them to offer high-end data services on a pan-India basis (except Orissa). Bharti, Vodafone and Idea had won 3G airwaves in 13, 9 and 11 circles, respectively, and their roaming pacts ensured that customers of these companies can access high-speed data services even in the regions where they don't hold 3G airwaves. [Aircel](#) has a similar deal with [Tata Teleservices](#) and offers 3G services in six circles using the latter's airwaves.

The Wireless Planning and Finance wing has argued that telcos pay different rates of revenue share for 2G (largely voice) and 3G services. "Telcos pay higher spectrum charges in areas where hold 3G airwaves, which are used to provide high-end data services. This wing of the department, therefore, holds the view that these roaming deals allows telcos to offer data services even in areas where they don't have 3G spectrum without having to pay the respective spectrum usage charges," says the note.

"Even after providing 3G services through agreement with 3G spectrum holding licensees, they may continue with payment of spectrum charges applicable for 2G at pre-revised rates. This will have negative impact on the revenue of the DoT. This will also create non-level playing conditions amongst service providers who have obtained 3G spectrums through auction and those who have shared rights of 3G spectrum," the WPF wing said in its note dated November 1.

The wing further added that such agreements may also 'hamper the future revenue potential from auction of the spectrum'. "Acceptance of such type of action from the licensees will promote cartelization at the time of future auction," it said. It also called for treating these deals as that of 'spectrum sharing', a concept that is not permitted under existing rules.

ET first reported last month that the access services wing of the DoT, which looks into all operational issues linked with the sector, has ruled that telcos cannot enter into 3G roaming deals with each other in regions where they have not bagged third generation airwaves. Just prior to that, the Telecom Enforcement, Resource and Monitoring (TERM) Cell of the DoT had also asked the department to initiate action against all mobile phone companies, including issuing show-cause notices and imposing financial penalties.

ET had also reported a probe by the telecoms regulator Trai that concluded that 3G roaming agreements violated terms and conditions of the license.

Last week, chief executives of Bharti Airtel, Vodafone, Tata Teleservices and Idea Cellular had come together to defend 3G roaming deals and said these deals were 'legal and permissible'. In a joint letter to Kapil Sibal, [Bharti Airtel](#) CEO for India and South Asia Sanjay Kapoor, Idea Cellular MD Himanshu Kapania, Vodafone India MD and CEO Marten Pieters and Tata Teleservices MD Srinath N had said that prior to last year's 3G auctions, the industry had a clear understanding with the government that such deals would be permitted.

"Any determination now that this might not be the case would fundamentally alter the legal and economic basis on which the business case of 3G bids was evaluated...," the heads of four telcos warned.

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