

## ANOTHER TELE-CON?

**WHAT IS WiMAX?** WiMAX (worldwide inter-operability for microwave access) is a technology designed to provide high-speed Internet access with fast data downloads



■ Kapil Sibal



■ A Raja

### SCAM OUT OF THIN AIR

- During the tenure of A Raja as telecom minister, BSNL paid ₹8,000 crore upfront to government for running WiMAX services
- BSNL then gave the spectrum to four franchisees (companies) without any upfront entry fee, on revenue share basis
- This gave the franchisees free access to BSNL's towers and offices across India
- Spectrum went to 'shell companies', not operators, according to current telecom minister Kapil Sibal
- Shell companies more interested in raising funds on basis of free spectrum than in launching services
- Sibal has ordered inquiry into the matter

## Kapil Sibal digs up new spectrum scam

Manoj Gairola, Hindustan Times  
Mumbai, February 07, 2011



Minister of Communications and Information Technology Kapil Sibal (L) and the head of technology...

The 2G scam wasn't the only one to hit the telecom ministry during A Raja's tenure. Telecom minister Kapil Sibal on Monday ordered a thorough scrutiny of the process by which the public sector Bharat Sanchar Nigam Ltd (BSNL) had appointed franchisees for WiMAX services without charging any upfront entry fee and on a revenue share basis even though it (BSNL) had paid about Rs 8,000 crore as upfront entry fee to the government.

The department of telecommunications (DoT) will suggest appropriate action by February 11.

"It has been pointed out that 'cheap access' has been provided to these franchisees by BSNL, including costly broadband wireless access (BWA, the technical name for WiMAX) spectrum in metropolitan cities for which BSNL has already made massive upfront payment," Sibal has written in a note to the DoT secretary.

The deal included access to 50,000 BSNL towers and 20,000 premises.

BSNL CMD Gopal Das could not be contacted and the company's director (mobility) RK Aggarwal did not respond to SMS and phone calls.

The franchisees include companies called Teracom, Take Solutions, Adhishwar, and Starnet.

"These shell companies (franchisees) are reportedly more interested in selling their stake to potential buyers rather than broadband network rollouts. As a result, the commercial/financial interests of BSNL have been sacrificed during the selection of WiMAX franchisees, last year," Sibal wrote.

"Specific instances include minimal upfront fee, weak penal clauses, weak eligibility criteria especially with respect to technical experience, post-bid change of contract conditions to favour franchisees, post-bid change by franchisees regarding their technology partners and post-bid award of one year moratorium in payment, etc," Sibal's note says.