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## DoT may charge telecom cos higher revenue share for 3G roaming pacts

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NEW DELHI: The telecom department plans to ask mobile companies to pay higher revenue share in regions where they have entered into intra-circle **3G roaming** pacts, an official with direct knowledge of the development told ET.

Telcos with third generation (3G) spectrum pay higher revenue share in the form of 'spectrum usage fee', and the department is concerned about allegations of alleged revenue losses to the exchequer because of these pacts.

The department plans to impose a higher revenue share retrospectively - from the date when these roaming deals became operational, the official quoted above said.

Earlier this year, operators, such as Bharti, **Idea**, **Vodafone** and **Aircel**, entered into 3G roaming deals, enabling them to sign up 3G customers across the country as these pacts allow them to use each others' airwaves and offer high-end data services even in regions where they do not have third-generation spectrum.

These developments come even as the DoT and sector regulator Trai have concluded that these deals are illegal - a position that has been backed by the law ministry. But the department has not initiated action against mobile phone companies after leading GSM operators sought Prime Minister Manmohan Singh's intervention, and also demanded that government refund the money they paid for these airwaves if 3G roaming deals were disallowed.

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DoT may impose higher revenue share from the date these roaming deals became operational

Indian telcos jointly pay about ₹4,500 cr towards spectrum fee annually

Another trigger for the DoT move is that its **Wireless Planning** and Finance wing had recently warned that 3G roaming pacts would have 'negative revenue implications for the government'.

Telcos share an additional 1% of their annual revenues with the government in regions where they have 3G spectrum. This means, **Bharti** Airtel, Vodafone MTNL and RCom, which have 3G spectrum in Delhi and Mumbai, share 7% of their annual revenues in these cities as the usage fee for these airwaves, while all other

operators pay only 6%.

Indian telcos jointly pay up about Rs 4,500 crore towards spectrum fee annually. Industry experts say that the telecom industry will have to pay additional Rs 700 crore if the proposal for higher revenue share is implemented and 3G roaming pacts are allowed.

Telcos said the DoT had not approached them on the issue of paying higher spectrum usage charges. "The industry may consider such a proposal if this can put an end to the 3G roaming controversy," said a top executive from a leading operator. An executive from another operator pointed out that legal and regulatory issues would have to be cleared before such a proposal could be implemented.

In November, the department's Wireless Planning and Finance (WPF) wing had warned that telcos offering 3G services through roaming pacts 'were continuing to pay spectrum charges applicable for 2G'.

"This will have negative impact on the revenue of the DoT. This will also create non-level playing conditions among service providers who have obtained 3G spectrum through auction and those who have shared rights of 3G spectrum," the WPF wing said, adding that such agreements may also 'hamper the future revenue potential from auction of the spectrum'. It added that 'acceptance of such type of action from the licencees would promote cartelisation at the time of future auction'.

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