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Respected Prime Minister,

As you are aware, there has been much discussion on the irregularities in the Telecom sector – and I have drawn your attention to this on numerous occasions. I understand from news reports that the Government is finally contemplating some action now albeit belatedly – it's time now for some real response on part of the Government i.e.:

- a) To identify the culprits and wrongdoers and to punish them and
- b) to recover the money swindled from the Government

Scams like this cannot simply be the subject of Parliament debates and disruptions and fodder for breaking news in media – Scams are visible signs of dysfunction and white collar crime; The focus now must be to treat this as a crime, identifying the culprits and ensuring that our system of checks and balances prosecutes them under the law. To make the rhetoric coming out of Delhi of being an Economic superpower a reality – we need to act like one and not a banana republic.

The background to this crime is pretty simple to understand. With the current set of 3G Cellular licenses tenders yielding the Government over Rs 10,000 Crores each (and the bidding isn't done yet) amidst a general economic environment that isn't really still the best (i.e. if International economy was booming as in 2007 the proceeds and value would've been higher) – the big question that now needs to be asked is this – How did the 2G UASL (Cellular) licenses allotted from 2004 to 2007 onwards get the Government only Rs 1500 Crores each? Is it because these licenses were not allotted through tender but through a more dubious route? The answer to that question is an obvious and resounding YES.

What is the loss to the Government? Assuming that these 2G licenses were to be valued at marginally less than 2G licenses at Rs 10000 Crores each (theres no evidence pointing to a need to assume 2G as cheaper than 3G licenses and using the secondary transactions of Unitech and Swan as benchmarks), the loss to the Government is in the region of Rs 50,000 Crores – That's a realistic estimate and doesn't include the spectrum given as follow-on spectrum to existing



Telecom companies. This loss to the government is a direct gain to a handful of corporate. This is a swindle by any definition. That is why it's necessary to start referring to this as a crime and not a scam anymore. The word scam has been overused and increasingly sounds trivial and flippant.

The crime is clear – swindling the Government of Rs 25,000 Crores or more. Now the question is who are the perpetrators of this great swindle? The roles of all the people involved in this massive swindle including the roles of the Independent Regulators TRAI and bureaucrats, must be completely investigated. While we are almost reconciled to the bureaucracy being party to this, the Independent regulators TRAI were created by a statute of Parliament precisely to create transparency in the Telecom sector and to protect the sector and all its participants from Political shenanigans that is almost natural to any lucrative contracting and licensing process in our system.

The current and previous Telecom ministers have repeatedly quoted the TRAI's recommendation as justifying his actions. In many many cases he has flouted the TRAI recommendations, but in this case he seems to have relied on the TRAI's recommendations. The investigation must examine the roles of the Regulator and Bureaucracies in this as well the roles of various Ministers.

If this government is serious about this being a crime then two things need to be done

- a) The swindled money must be recovered from the beneficiaries of the swindle. The significant monetary gains that have accrued to these few corporates must be recovered either through additional fees /levies or taxes.
- b) An investigation launched to identify ALL the culprits and process of law being launched on them.

This investigation will also be a much need review about the institution of the Independent Regulators. The practise of stuffing them with retired or serving bureaucrats has made them a second bureaucracy, with little or no will to establish and affirm their independence from politics. And when the Regulator becomes the willing participant or silent observer to the fraud , then there is a very serious problem. It's akin to the Police or a judge is party or silent observer to a crime, then the punishment that needs to be meted out needs to be exemplary, to set an example and to send a message to the rest of the Regulators.

That is why a thorough investigation into this entire licensing crime and the role of the Regulator is justified and the Government must recover this swindled money and have perpetrators identified and brought to book.

Yours Sincerely

Rajeev Chandrasekhar

Dr. Manmohan Singh
Hon'ble Prime Minister
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