

Jailed ex-telecom minister A Raja's camp just got another boost. Telecom minister Kapil Sibal's there-was-no-loss statement is routinely trotted out in their defence by most of the scam accused; on Tuesday, DMK MP Kanimozhi showed the judges what she claimed were minutes of a meeting where the PM and then finance minister P Chidambaram said licences didn't need to be auctioned. And now, the telecom regulator (Trai) has done a

U-turn and decided to bat for Sibal's and Raja's zero-loss position. While submitting a report a few days ago to the CBI on valuations for 2G spectrum given out between 2001 and 2008, Trai's covering note says Trai had never ever recommended auctions in even 2007, or any other method to hike the entry fee for the new players.

While this knocks the arguments made by the CAG and CBI, it also flies in the face of the letters written by the then Trai chief Nripendra Misra to Raja—Misra said his August 2007 recommendations were being distorted, that they didn't pertain to bringing in new players anyway. More important, it even contradicts Trai's own affidavit to the Supreme Court in March this year. In that, it had said, "While Trai was not in favour of holding auctions for 2G bands it has nowhere suggested or recommended that the entry fee should be kept pegged at 2001 level". The affidavit then went on to quote from the 2007 recommendation, "It is also a fact that entry fee determination in 2001 does not bear any relationship to present spurt in telecom market ... In today's dynamism and unprecedented growth of telecom sector, the entry fee determined then is also not the realistic price for obtaining a licence. Perhaps, it needs to be reassessed through a market mechanism". After saying this, the March affidavit went on to say, "Based on Trai's recommendation of 2007, the first step should have been to assess the availability of spectrum, to lay down spectrum allocation criteria and pricing methodology as a matter of policy and to place the same in public domain. Thereafter the central government should have sought a specific recommendation from Trai for issuing new licence to a service provider as envisaged by the second and fourth proviso of section 11 (1) of the Trai Act. However, this was not done".

Perhaps Trai will explain the reason for this flip-flop? More important, if Trai has changed its mind on what happened in 2007, it's unfortunate that this should be done in such a hush-hush manner, in the covering note of a report prepared on something else. Had the letter not been reported in the media, even the Supreme Court would never know Trai had changed its stand.