

Pitroda fails to spike mobile phone project

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evaluation committee, which envisaged awarding the main contract to Sweden's Ericsson, whose bid was found to be technically and commercially the most competitive. The contract for the supply subscriber equipment, comprising the telephones and allied parts, was to be split between Ericsson and Motorola of the USA, which finished a close second in the international bidding. The American company, which has quite a few NRIs on its staff, has been trying its best to get the main contract.

Ericsson and Motorola are arch rivals worldwide for CRMT systems. The extent of competition between the two can be gauged from the fact that the Swedish firm has sold one system in Chicago, the headquarters of the American company.

Immediately after Pitroda's outburst against DOT's project,

Singh decided to postpone it to save funds in the drought year.

Meanwhile, the ONGC had already received bids, including from Ericsson and Motorola, in response to its global tendering invitation issued in April 1987.

The ONGC wants to instal a CRMT system in the western region, though it hardly seems to require such a system because its field staff do not need access to the national network. What it needs is an ordinary mobile radio system such as the one used in Delhi.

The tender specifications for the ONGC were prepared by Telecommunication Consultants India Limited, a DOT undertaking, which itself later became a partner with Motorola for operating the CRMT system for the ONGC during the first two years after it is commissioned.

Asked why he had not opposed any CRMT other than that of the DOT, Pitroda said he did

not care about other projects.

Pitroda told this newspaper that his first public criticism against DOT's project was in response to a newsman's query. He did not call any reporter to hand out a "scoop".

Pitroda, who once himself recommended the use of vehicles fitted with mobile radios in his controversial paper to Gandhi on reorganising the Congress(I), has repeatedly called the CRMT a luxury.

Asked whether he still held the same view, Pitroda said CRMT systems were luxury if they were to be used in the same manner as in the West. The system was no doubt required for India, but was not a necessity at present. The funds to be invested on CRMT systems could be used for improving the existing telecom network, he said.

Notwithstanding Pitroda's attack, the DOT quietly prepared the ground for launching a CRMT system in 1988-89.

Pitroda fails to spike mobile phone project

From Naresh Minocha

NEW DELHI, March 18
The Department of Telecommunications is going ahead with the import of an experimental cellular radio mobile telephone system for Bombay, despite repeated attempts by the Prime Minister's advisor on technology missions, Sam Pitroda, to scuttle the project and cast aspersions on the integrity of DOT officials.

Contrarily, Pitroda has said not a word about the proposed import of an identical system by the Oil and Natural Gas Commission or about some other mysterious telecom imports.

Official documents as well as circumstantial evidence collected by this newspaper show that several facts have been either suppressed or overlooked by those who have been inspiring

press reports against DOT's project.

The experimental project, which cost less than Rs 10 crore, has been prepared by DOT's Telecommunication Research Centre (TRC) in view of the revolutionary potential of the CRMT: making redundant costly and time-consuming wiring and its portability — it can be used in vehicles; carried to office and back home.

No wonder then that the technology has spread like wildfire in the developed countries.

No one in the Indian Government, including Pitroda, said a word against the project, which forms part of Seventh Plan beginning 1985-86, for over two years. The criticism began in August 1987 with a report in a national daily that the Government was about to import car telephones in a drought year.

Subsequently, Pitroda said car telephones were "obscene" and the project had been conceived by "someone out of his mind".

Pitroda, who was then advisor to the Centre for Development of Telematics (C-DOT), was trying to get closer to Prime Minister Rajiv Gandhi, with the help of Gopi Arora, Ramesh Bhandari and Amitabh Bachchan, among others. He was offered the job of Secretary (technology missions) — which he considered beneath his stature. He was then appointed advisor to Gandhi in October.

When Pitroda first lashed out at proposed import of a CRMT system, the then Communications Minister, Arjun Singh, was yet to take a decision on the recommendation made by DOT officials, on the basis of a tender

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19 March
1988

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Where Pitroda played different tunes

From Naresh Minocha

NEW DELHI, March 19

A few days before Prime Minister Rajiv Gandhi visited Sweden in January 1988, the then Communications Minister Arjun Singh cleared the file recommending award of cellular radio mobile telephones (CRMT) contract to Ericsson, a Swedish firm. This was, however, kept a closely-guarded secret.

Earlier, the Department of Telecommunications (DoT) had submitted a project proposal to Finance ministry for securing highly concessional Swedish credit after anticipating difficulty in obtaining free foreign exchange. The foreign exchange credit, equivalent to Rs 46 crore, was sought for funding CRMT service in four cities, experimental video text service project and for purchase of some components and equipment for Telecommunication Research Centre (TRC).

Though DoT had already taken an internal decision to give the contract for Bombay CRMT project to Ericsson, yet it played safe and tough. Its note, thus, said: "The procurement of equipment will be done on the basis of international competitive bidding. Tenders for Bombay have already been floated. In the case of a Swedish firm coming out successful in the bidding, the project will be financed from Swedish sources."

This quote obviously proves wrong the theory that Ericsson lobby was at work in DoT. This charge would have been valid if Swedish firm had arranged for bilateral credit tied to its equipment supply and had argued for cancellation of tenders as was successfully done by Fench Alcatel in 1982.

When Gandhi visited Sweden, the Finance Ministry had not yet finalised the concessional credit with Swedish agency named BITS.

In accordance with his tour programme, Gandhi visited RIFA, an Ericsson subsidiary which manufactures electronic components. There he made a trial call through Ericsson's CRMT to India.

This provided fresh ammunition to CRMT critics. They fired a volley of allegations, including

the charge that the Prime Minister had "played into the hands of Ericsson."

The critics, however, overlooked the fact that RIFA has got a technical collaboration with Bharat Electronics Ltd (BEL) for the manufacture of 'bipolar chips' which are used in electronic telephones. It has also got a technical tie-up with a joint venture between Uptron, Ericsson and Ericsson India.

Admitting that Ericsson was shrewd enough to request Gandhi to try a hand at a CRMT which it was aiming to sell through proper procedure, there is yet no ground to make a wild charge that the Prime Minister had "played into the hands of Ericsson."

Do the critics make such alle-

the purchase of Bofors guns surfaced. The final word on this subject can, however, be said by Ericsson or Bofors or Chadha.

Assuming that the insinuation that Chadha represented Ericsson in telecom contracts is correct, how do critics explain the blatant discrimination by the Government against Ericsson in 1980? The Swedish firm was denied the contract for Rae Bareilly cross bar project of ITI, though it emerged the most competitive bidder. The contract was instead given to BTM, a Belgian firm, which should have been black-listed for its lapses in an identical project of ITI in Bangalore.

At a press conference in Chandigarh on February 9, Sam Pitroda, Prime Minister's advi-

only observed silence on the proposed import of CRMT system by ONGC but also ignored certain questionable telecom imports.

To cite an example, Pitroda has not said a word about the proposed import of outdated, partly digital E10B exchanges in SKD kit form through ITI which itself is producing this equipment right from the components stage. These exchanges are to be imported from French Alcatel and are to be installed in Bombay and Delhi under Mahanagar Telephone Nigam's aegis.

Shockingly enough, the F.O.B. price of SKD kits is Rs 4,000 per line, which is about twice the price quoted in certain competitive bids invited by oth-

evaluation Committee.

This obviously came as a shock to those who were hoping that Motorola would emerge the lowest bidder and bag the contract and thus take a lead over Ericsson. The American firm's well-wishers in the Government would have then talked of the need for maintaining uniform specifications for all future CRMT projects and hence award of all contracts to Motorola.

Meanwhile, the critics of DoT's CRMT project have stepped up their behind-the-scene campaign to scuttle the project. Fresh arguments are being advanced, including that import of small digital exchange named AXE are Ericsson under the project would amount to introduction of third switching technology. (The first is E10B technology of Alcatel bought by ITI in 1982 and the second is being developed by C-DoT.)

DoT officials have repeatedly affirmed their intention to give full support and adequate time to C-DoT to develop the indigenous technology.

While raising the bogey of import of new switching technology, the critics have suppressed the fact that Ericsson is offering only technology for the manufacture of radio base stations and subscriber's equipment in accordance with the stipulations made in DoT's tender documents.

The technology for these equipment is not available in the country. Ericsson, like all other multinationals, is, however, willing to part with its switching know-how. Interestingly, C-DoT has clarified to DoT that it is not pursuing any project to develop CRMT technology.

This is the concluding part of the investigation on cellular radio mobile telephones (CRMT). The first part appeared on Saturday.

Meet in Delhi

NEW DELHI, March 19 (UNIFIN)

The fifth session of the European Community-India Joint Commission will be held here from March 22.

Ironically, Pitroda has not only observed silence on the proposed import of CRMT system by ONGC but also ignored certain questionable telecom imports.

Has Pitroda agreed to these imports to cover up his misleading claims about completion of the project for development of digital exchanges at Centre for Development of Telematics (C-DoT)?

gations when Gandhi pays such visits while touring other countries or when Indian officials make such arrangements for visiting dignitaries in the country?

Interestingly, Rajiv's mother, as well as his grandfather, visited Ericsson during their tenure of Prime Ministership.

Enquiries into the insinuation linking CRMT with Bofors' Indian agent, Win Chadha, show that Ericsson (Sweden) has always been represented by its Indian subsidiary since its inception in early seventies, both for telecom and defence contracts.

Though Ericsson has refused to be drawn into the controversy, it appears that Win Chadha was trying to become Ericsson's representative for defence contracts when his company, Anatronics, signed an agreement with Bofors in 1978. Hence, the provision in the agreement that Anatronics could represent Ericsson in India.

The top brass of DoT had, in fact, never heard of Win Chadha till the kick-back scandal about

sor on technology missions, renewed his vitriolic attack against DoT. He reportedly said that there was "strong lobby" for car telephone in the Department. "We will not import car telephones and we should not."

Asked on what basis he stated that Prime Minister's Secretariat had turned down CRMT project on DoT, Pitroda told *The Indian Post*, that he had been misquoted. What he said was that the Prime Minister's Secretariat had nothing to do with the project.

Pitroda said he had only aired his personal views in response to a query from a newsman. His views were just inputs to the system. He wondered why there was a "big import lobby" in the press.

Asked why he was not opposing proposed imports which would do great harm to self-reliance such as import of nuclear power stations from the Soviet Union, Pitroda said tersely "It is not my concern. It is the job of the Department of Atomic Energy. I am a telecom man."

Ironically, Pitroda has not

er countries for import of fully-digital exchanges.

Has Pitroda agreed to these imports to cover up his misleading claims about completion of the project for development of digital exchanges at Centre for Development of Telematics (C-DoT)?

Why has Pitroda not told the nation that the task of developing 10,000-line digital exchange within 36 months has run into snags?

Whatever be Pitroda's motives, the fact remains that he has tried his best to scuttle DoT's CRMT at various levels within the Government.

While DoT was being rebuked publicly, everyone in the know of things was anxiously awaiting the opening of financial bids for ONGC's CRMT project.

When the financial bids were opened on February 26, Ericsson's bid was found to be substantially lower than that of its arch rival, Motorola of the US. The bid of the remaining competitor, Japan Radio Corporation, was not opened as it was technically disqualified by the