

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:1787
ANSWERED ON:08.03.2010
ALLOCATION OF 2G AND 3G SPECTRUM
Singh Shri Sushil Kumar;Tewari Shri Manish

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Delhi High Court has held that the decision of the Department of Telecommunications (DoT) to advance the date for receiving applications for releasing 2G spectrum to new telecom operators from 1 October, 2007 to 25 September, 2007 is devoid of rational;
- (b) if so, whether the Government challenged the said order in the Supreme Court of India;
- (c) if so, whether the Supreme Court has stayed the decision of the Delhi High Court;
- (d) the impact of this litigation on the proposed auction of spectrum for 3G technology;
- (e) the number of 3G spectrum licences which would be auctioned in each Telecom Circle;
- (f) the reserve price that has been fixed for each licence in each Telecom Circle and the reserve price for a Pan India licence;
- (g) the basis of arriving at the minimum price or reserve price for spectrum for 3G spectrum licences was arrived at by the Empowered Group of Ministers; and
- (h) the roll out conditions of network for prospective 3G licences?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT)

(a) to (c) M/s. S. Tel Ltd. filed a Writ Petition(Civil) No.363 of 2008 before Hon'ble High Court of Delhi inter-alia, praying for quashing the Press Release dated 10.01.2008 which inter-alia, conveyed that DOT (Department of Telecom) has decided to issue LOI (Letter of Intent) to all the eligible applicants who applied upto 25-9-2007 for grant of Unified Access Services (UAS) licences. In its Petition, M/s. S. Tel Ltd. alleged that the cut-off date of 01.10.2007 for receipt of application for grant of UAS licence announced through Press release dated 24.09.2007 (which appeared in the Press on 25.09.2007) had been preponed to 25.09.2007. Contrary to this, the two dates viz. 01.10.2007 & 25.09.2007 were fixed for different purposes and there was no preponement of the cut-off date. Whereas the date 01.10.2007 was fixed as cut-off date for receipt of applications for grant of UAS licence till further order, the other date 25.09.2007 was fixed to process initially those UAS licence applications which were received by DOT upto 25.09.2007 and keeping the remaining applications pending for consideration in future. For processing of huge number of applications received by 01.10.2007, the date 25.09.2007 was the only logical date which divides all the applicants into two homogeneous groups (i.e. one who applied upto the date of publication of the press release in the newspaper and those who applied in response to the press release). However, the Single Judge of the Hon'ble High Court, vide Judgement dated 01.07.2009, quashed the Press release dated 10.01.2008. The order dated 01.07.2009 of the Single Judge of the Hon'ble High Court was challenged by the Government vide LPA No.388 of 2009 before the Division Bench of the Hon'ble High Court of Delhi. In its judgment dated 24.11.2009, the Division Bench dismissed the appeal of the Government.

On 03.12.2009, Government filed an SLP No.33406 of 2009 before the Hon'ble Supreme Court of India against the impugned judgment dated 24.11.2009 of the Division Bench of the Hon'ble High Court of Delhi. On 15.12.2009, the Hon'ble Supreme Court issued notice to M/s. S. Tel Ltd. for filing counter affidavit within three weeks time and further directed that the Respondent will not move for any contempt in the meantime.

(d) The matter is sub-judice.

(e) As per the directives of the Empowered Group of Ministers on 'Auction of 3G spectrum', 3 blocks of 3G spectrum are proposed to be auctioned in 17 service areas and 4 blocks are proposed to be auctioned in the remaining 5 service areas viz. Bihar, Himachal Pradesh, Punjab, West Bengal and Jammu & Kashmir.

(f) The reserve price for auction of one 3G carrier of 5 +5 MHz in 2.1 GHz band is as follows:

(i) Rs.320 Crores each for Delhi, Mumbai, Andhra Pradesh, Gujarat, Karnataka, Maharashtra and Tamil Nadu service areas,

(ii) Rs.120 Crores each for Kolkata, West Bengal, Haryana, Kerala, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh (West) and Uttar Pradesh (East) service areas and

(iii) Rs.30 Crores each for Assam, Bihar, Himachal Pradesh, Jammu & Kashmir, Orissa and North East service areas.

The sum total of the above reserve price for Pan India is Rs.3500 Crores.

(g) The minimum reserve price was proposed by Department of Telecommunications (DoT) after consulting Telecom Regulatory Authority of India (TRAI) and Ministry of Finance and the same was accepted by the Empowered Group of Ministers.

(h) Following are the Roll-out obligations for 3G Spectrum:

(i) In Metro service area: The licensee to whom the spectrum is assigned shall be required to provide required street level coverage using the 3G Spectrum in at least 90% of the service area within five years of the Effective Date.

(ii) In Category A, B and C service areas: The licensee to whom the spectrum is assigned shall ensure that at least 50% of the District Headquarters ("DHQ") in the service area will be covered using the 3G Spectrum, out of which at least 15% of the DHQs should be rural Short Distance Charging Areas ("SDCA"), within five years of the Effective Date.