

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

UNSTARRED QUESTION NO:5943
ANSWERED ON:03.05.2010
RESERVED PRICES OF SPECTRUM
Maadam Shri Vikrambhai Arjanbhai

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

- (a) whether the Government has any guidelines for fixing reserved prices of 3G spectrum;
- (b) if so, the details thereof;
- (c) whether consensus thereon has been attempted and arrived;
- (d) if so, the details thereof;
- (e) whether any representation in regard to allocation of spectrum has been received by the Government so far;
- (f) if so, the details thereof; and
- (g) the steps taken/being taken by the Government in this regard?

Answer

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

- (a) & (b) The EGoM on Auction of 3G spectrum has observed that the spectrum value in an Auction are determined by the level of competition and attractiveness of the business plan for using the spectrum. The reserve price is to be fixed to guard against cartel formation and when demand becomes less than supply in the auction. EGoM decided that a high reserve price in Category C circle and B circles would discourage entry of small players. Based on this premise, Rs.320 crores was fixed as reserve price for Mumbai, Delhi and Category A circles, Rs.120 crores for Category B circles and Rs.30 crores for Category C circles resulting in a Pan India reserve price of Rs.3500 crores for one block of 2X5 MHz spectrum. The Government has issued the Notice Inviting Applications on 25/2/2010 endorsing this decision.
- (c) & (d) The EGoM has decided about the reserve price after considering the TRAI recommendation and the views of the Department of Telecom and Ministry of Finance.
- (e) No, Madam.
- (f) & (g) Not Applicable in view of (e) above.