

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

UNSTARRED QUESTION NO:1223

ANSWERED ON:02.08.2010

BIDDING PROCESS OF G SPECTRUM

Nahata Smt. P. Jaya Prada;Tewari Shri Manish;Venugopal Shri K. C.

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

- (a) the structure of the bidding process that was followed for the auction of 3G spectrum alongwith the number of 3G slots outlined;
- (b) the number of telecom operators participated in each auction, circle-wise;
- (c) the total quantum of money that the Government would garner from the 3G spectrum auction and which successful bidder would pay how much over how many years annually details, circle-wise;
- (d) the names of the countries where 3G spectrum or even spectrum auctions have been successful and has not resulted in the sector or companies going bankrupt; and
- (e) the reasons for the Department of Telecom asking Government to refund the money paid by Bharat Sanchar Nigam Limited (BSNL)/Mahanagar Telephone Nigam Limited (MTNL) for 3G spectrum especially when it is not a basic service but a value added service?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

- (a) The structure of bidding process that followed for the auction of 3G spectrum was two stage simultaneous ascending e-auction, run over the Internet. 4 slots each of 5+5 MHz of 3G spectrum in 17 telecom circles and 5 slots in 5 telecom circles have been auctioned to successful bidders including MTNL/BSNL.
- (b) The number of telecom operators participated in auction is given in Annexure-I. The bidders were given freedom to bid for any circle which falls within the Earnest Money Deposit that they had made.
- (c) Total quantum of money that the Government garnered from 3G auction is Rs. 67,718.95 crores. This amount includes the share of MTNL/BSNL. A detailed circle-wise, successful bidders and amount paid is given in Annexure-II. In addition, spectrum usage charge at existing slab rates of 2G spectrum as percentage of Adjusted Gross Revenue (AGR) shall be charged till the validity of license.
- (d) Most of countries all over world (e.g. U.K., Netherlands, Germany, Italy, Austria, Switzerland, New Zealand, Canada, Belgium, Australia, Singapore, Greece, Hong Kong, Denmark, Slovenia, Taiwan and Israel) have allocated spectrum for 3G services through auction. This Ministry does not have any information regarding 3G spectrum auction resulted in the sector or companies going bankrupt.
- (e) This Ministry has requested Ministry of Finance to consider favorably the request of BSNL/MTNL for reimbursement of spectrum charges paid towards 3G spectrum since BSNL is the only service provider giving connectivity to the far flung rural areas. The services rendered by BSNL in the rural areas of the country cannot be replicated. MTNL is providing services in the hyper competitive markets of Delhi and Mumbai. Both the PSUs have borrowed heavily to finance payment of spectrum charges and which are shouldering social and governmental obligations.