

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

UNSTARRED QUESTION NO:3199

ANSWERED ON:12.12.2012

ONE-TIME SPECTRUM CHARGE

Meghwal Shri Arjun Ram ;Shetkar Shri Suresh Kumar;Singh Shri Rakesh;Viswanathan Shri P.

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

- (a) whether the Government has increased the spectrum reserve price and proposes to levy one-time spectrum charges on telecom operators;
- (b) if so, the details thereof and the reserve price fixed for GSM and CDMA spectrum along with the revenue likely to be generated as a result of one-time spectrum charge;
- (c) whether both, the increase in reserve prices and levying one time spectrum charge/fee on telecom operators are likely to push up call rates;
- (d) if so, the details thereof and the steps taken by the Government to protect the interests of the telephone consumers;
- (e) whether the Association of Unified Telecom Service Providers of India has urged the Government for scrapping onetime spectrum fee; and
- (f) if so, the details thereof and the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

(a) & (b) Government has taken decision to levy one-time spectrum charges on existing telecom operators, except those relating to pricing of CDMA, as mentioned below.

(i) for spectrum holding up to 4.4 MHz (GSM), no one time charge be levied;

(ii) for all spectrum holdings beyond 4.4 MHz (GSM), an one time charge be levied prospectively upon the existing operators at 2012 auction determined price. The date of applicability of the charge shall be the date of commencement of the first quarter following the date of the Government Decision;

(iii) for spectrum held above 6.2 MHz(GSM), a one-time charge be levied from July 2008 onwards. There will be two prices. The price, pro-rated for the period July 2008 up to the date of applicability of auction determined price, would be in the 2001 entry fee divided by 6.2, duly indexed using State Bank of India Prime Lending Rate (SBI PLR). The auction determined price be levied for spectrum beyond 6.2 MHz (GSM) with effect from the date of commencement of the first quarter following the date of the Government decision;

(iv) licensees may be given the option to surrender the spectrum beyond 4.4 MHz (GSM) if they did not wish to pay this charge.

Government has decided the reserve price for 1800 MHz band at Rs 14000 Crores per 5 MHz Pan India and reserve price for 800 MHz band at 1.3 times that of 1800 MHz for Auction conducted during November 2012.

The estimated amount based on Auction determined price/ reserve price from GSM Spectrum is Rs.25,008 Cr.

(c) and (d) At present, mobile call rates are under Regulatory forbearance. The call rates are determined by the service providers based on several factors, including input costs, market conditions and other commercial considerations. Any change in the said facts may get reflected in the pricing for mobile services.

(e) & (f) Yes, Madam, Association of Unified Telecom Service Providers of India (AUSPI) has stated, among others, in their letter that the existing players have already paid entry fee for the contracted spectrum held by them while acquiring the licenses and the DOT's proposal to charge one-time fee by amending the existing license is not permissible in law.

The Government has, inter alia, decided on levy of one time Spectrum Charges, except those relating to pricing of CDMA spectrum and same has been given in (a) and (b) above.