

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

UNSTARRED QUESTION NO:1103

ANSWERED ON:11.12.2013

SPECTRUM PRICING .

Bhagat Shri Sudarshan;Das Shri Khagen;Dhotre Shri Sanjay Shamrao;Mahtab Shri Bhartruhari;Paswan Shri Kamlesh ;Rathod Shri Ramesh;Ray Shri Saugata;Singh Shri N.Dharam;Sivasami Shri C.;Sugumar Shri K.

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

- (a) the details of spectrum usage charges/spectrum pricing approved by the Cabinet in August, 2012 on the recommendations of EGoM;
- (b) the salient features of the recommendations of the Telecom Regulatory Authority of India (TRAI) on spectrum pricing and the reaction of the Government thereto;
- (c) whether the TRAI has taken a U-turn on its earlier recommendations and issued a consultation paper on valuation and pricing of spectrum reviewing the Cabinet decision of August, 2012;
- (d) if so, the details thereof and the reasons therefor;
- (e) Whether the Department of Telecommunications (DoT) has constituted a Committee to review the recommendations of the TRAI on spectrum pricing; and
- (f) if so, the details thereof and the outcome of the recommendations along with the steps taken/ being taken by the Government in this regard?

Answer

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

(a) Government had decided the reserve price for spectrum in 1800 MHz band at Rs. 14000 crore for 5 MHz pan India and the reserve price for 800 MHz band at 1.3 times that of 1800 MHz. Government had decided the existing slab rate for levying the spectrum usages charges for the auction of spectrum in 1800 MHz and 800 MHz bands..

(b) Telecom Regulatory Authority of India (TRAI) in its recommendations dated 9th September, 2013 recommended, amongst others, the spectrum bands to be auctioned, reserve price for 1800 MHz and 900 MHz bands, Spectrum Trading, spectrum usage charges, exploring the feasibility of adoption of Extended Global System for Mobile (E-GSM), etc.

(c) & (d) The Department of Telecommunications (DoT) vide its letter dated 10th July 2013 had sought TRAI's recommendations on applicable reserve price for auction of spectrum in 1800 MHz, 800 MHz and 900 MHz bands. In this context, TRAI had issued a Consultation Paper (CP) on 23rd July 2013 on "Valuation and Reserve Price of Spectrum". The same is available on the TRAI website- <http://tra.gov.in>.

Further, DoT, through its letter dated 22nd August 2013, had sent another reference and sought the TRAI's recommendations on trading of spectrum which inter-alia may include conditions and timing for permitting trading of spectrum obtained through auction, quantity of spectrum for trading by an operator, revenue payable apart from legal, regulatory and technical framework. In the CP, issued on 23rd July 2013, TRAI had suo motu raised the issue of spectrum trading in the country.

After considering the comments received from the stakeholders on TRAI's CP and its own analysis, TRAI has furnished its recommendations to the Government on "Valuation and Reserve Price of Spectrum" on 9th September 2013. The summary of the recommendations are available at chapter VII of the recommendations. The TRAI recommendations are available on the TRAI website- <http://tra.gov.in>.

On 11th October, 2013, the DoT sought clarifications/ reconsideration on some of the recommendations from TRAI. After considering the comments given by the DoT, TRAI had furnished its response to the Government on 23rd October 2013. TRAI has reiterated its earlier recommendations with detailed reasoning. A copy of the same is available on the TRAI website- <http://tra.gov.in>.

(e) Yes, Madam.

(f) The Committee examined the TRAI recommendations dated 9th September, 2013 and their response dated 23rd October, 2013 to the back reference and submitted its reports, which were placed before the Telecom Commission for its consideration. It was also placed before the Empowered Group of Ministers (EGOM). The matter of reserve price of spectrum is under consideration of the

Government.