

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

STARRED QUESTION NO:361
ANSWERED ON:19.02.2014
SPECTRUM USAGE CHARGES
Owaisi Shri Asaduddin;Ramasubbu Shri S.

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

- (a) the details of the present pan India average spectrum usage charges levied on telecom operators;
- (b) whether the Government has reviewed/increased the spectrum usage charges;
- (c) if so, the details thereof and the reasons therefor along with its impact on the exchequer and also on the consumers;
- (d) whether the telecom operators and other stakeholders have been consulted before taking this decision; and
- (e) if so, the details thereof and the reaction of the stakeholders thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY & LAW AND JUSTICE
(SHRI KAPIL SIBAL)

(a) to (e) A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 361 FOR 19TH FEBRUARY, 2014 REGARDING "SPECTRUM USAGE CHARGES"

(a) The weighted average of Spectrum Usage Charges (SUC) payable by current spectrum holders in 900MHz and 1800 Mhz bands is 4.83%.

(b) & (c) As a matter of policy, it is desirable to move to a flat rate, and adoption of weighted average rate would provide a path for such transition.

Accordingly, the following decision to change the spectrum usage charges have been taken.

Spectrum usage charge for spectrum acquired through current auction will be charged at 5% of Adjusted Gross Revenue.

There is no change in the existing slab rate of Spectrum usage charges for the Licensees who do not acquire spectrum through current auction.

In cases of combination of existing spectrum in 900 Mhz and 1800 Mhz bands and spectrum acquired through current auction, the weighted average will apply to both the spectrum held by the operator.

Applying the above 5% flat rate and the weighted average rate of Spectrum usage charge, it is estimated that the revenue to be realized is comparable at current level.

(d) & (e) The above decisions have been approved after considering the recommendations of Telecom Regulatory Authority of India which was finalized after due consultation process.