

TELEWINGS COMMUNICATIONS SERVICES PRIVATE LIMITED
A-38, KAILASH COLONY, NEW DELHI-110048



To
The Chairman,
Telecom Regulatory Authority of India
Mahanagar Doosanchar Bhawan
Jawahar Lal Nehru Marg (Old Minto Road)
New Delhi 110002

29 August, 2013

Kind Attn: Mr. Arvind Kumar, Advisor (NSL division), TRAI
Subject: Response to Consultation Paper on Valuation and Reserve Price of Spectrum

Dear Sir,

Please find enclosed our additional comments on the issues pertaining to permitting spectrum trading in the country. The present submissions form a part of our earlier submissions and we hope that the Authority will find merit in our response and consider our inputs while formulating the recommendation on the subject.

This is for your information and records please.

Thanking you

Yours Sincerely,

(Pankaj Sharma)
Authorised Signatory

For and on behalf of Telewings Communications Services Private Limited

CC: Mr Sudhir Gupta, Pr Advisor (NSL), TRAI

Encl: Telewings's additional comments (2 pages)

Spectrum Trading:

The following key decisions with respect to spectrum are already in place as part of UL guidelines and are being implemented.

- Spectrum will be made available only through a market-driven process.
- Spectrum has been delinked from License (UL released on 19.08.2013)
- All spectrum to be assigned through the auction process in future shall be liberalized. (TRAI recommendation dated 23.04.2012)
- Operators whose entire spectrum holding in a particular band (900MHz/ 1800MHz and 800MHz) is/ has been liberalized would be permitted to **share spectrum** without any additional one time charge. (Clause 4.10 of NIA dated 28.09.2012)

We believe that spectrum trading is a progressive step and is in line with new policies initiated on spectrum by Authority. Therefore in line with guidelines listed above, we would request Spectrum Trading to be allowed with immediate effect. This will increase effective and optimum utilisation of spectrum in the industry.

The M&A guidelines which are keenly awaited by Industry will not be effective and will not pave for industry consolidation unless spectrum trading is allowed in India.

We support spectrum trading vide our submissions, as an additional submission Telewings submits that the regulatory and technical guidelines should be framed on the following lines:

- Spectrum sharing should be allowed for liberalised spectrum only.
- Licensed entities should be allowed to trade in spectrum, this will eliminate speculative players.
- The arrangement between the trading entities should be on the basis of commercial negotiations. No additional fee should be chargeable by government as the the Government will gain from increased license fee of AGR since total revenues of TSP will increase.
- Trading should be allowed at the minimum block size of 1MHz or lower to extract the maximum potential and increase efficiency of utilisation.
- Contiguous band of spectrum should be facilitated by exchange of frequency spots without any charge mediated by WPC.
- No rollout obligations be associated with spectrum trading..
- The total spectrum to be held by an entity should be limited by 50% in-band cap and 25% all band cap.

Licensing requirement:

Present UASL as well as UL does not allow demerging of company, license and spectrum in different band. Delinking should be done to allow trading in specific spectrum bands within the service area.

Presently the Gross Revenue is inclusive of **revenue from permissible sharing of infrastructure**. This definition should be modified to incentivize active infrastructure sharing and facilitate spectrum trading.

Sharing of liberalised spectrum

We would also like to provide our inputs on some of the confusion which still prevails in spectrum sharing regulation.

Regulatory challenges: The current guidelines allow sharing of liberalised spectrum. However, the treatment of spectrum usage charge on the combined spectrum is explicitly not defined.

The guidelines for sharing of active infrastructure is not defined in the Unified License.

Recommendation: In case authority is taking a fixed SUC percentage view, instead of current slab based approach on SUC charges for liberalised spectrum, the issue related to spectrum sharing will be resolved.

However if Authority is not taking a view as per above, in that case we would recommend that there should not be increase in SUC charge on TSP's who are sharing spectrum. This will keep the costs down and will encourage TSP's to liberalise existing spectrum held by incumbents in order to do spectrum sharing.
