

F. No. J-14025/2012-CDMA
Government of India
Ministry of Communication & Information Technology
Department of Telecommunications
(WPC Wing)

Dated, the 30th December, 2015

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To,

The Secretary,
Telecom Regulatory Authority of India,
MTNL Door Sanchar Bhawan,
Jawahar Lal Nehru Marg,
New Delhi-110002

Subject: TRAI Recommendation on charging for liberalisation of administratively allocated spectrum.

Reference: (i) TRAI's recommendations dated 12.05.2012 on 'Auction of Spectrum'.

(ii) TRAI's recommendations dated 09.09.2013 on 'Valuation and Reserve price of Spectrum'.

(iii) Relevant clauses on liberalisation of 800/ 1800 MHz spectrum contained in various Notice Inviting Applications (NIAs) dated 28.09.2012 and onwards.

(iv) National Telecom Policy, 2012

(v) Liberalisation Guidelines, dated 05.11.2015

Sir,

Attention is invited to the enclosed Guidelines, dated 05.11.2015 (copy enclosed) on liberalisation of administratively held spectrum in 800/ 1800 MHz band, issued by DoT, based upon the relevant provisions contained in the documents mentioned under 'Reference' above.

2. The charging principle in the above Guidelines, dated 05.11.2015 is based upon the **latest auction determined price** in a band and service area. If the latest auction determined price is **more than one year old**, then the applicable market price will be arrived at after indexing the last auction determined price at the rate of **SBI PLR**. Further, the Guidelines, vide. Para-16, mentions that "*Guidelines shall not be applicable for liberalisation of a frequency band in a service area where auction determined price is not available for that band.*"

3. The Government approved the Reserve Prices for auction of spectrum in 800 MHz in all 22 service areas. However, due to non-availability of spectrum in this band no spectrum was included in auction of March, 2015 in Rajasthan and Kerala. In case of Karnataka and Tamilnadu service areas no bids were received in spite of being put on auction.

3.1 In the service areas of **Karnataka and Tamilnadu**, as stated, the spectrum in 800 MHz band was put on sale during March, 2015 auction, but it did not get sold; therefore the latest market determined price could not be achieved for the same. However, the auction determined price of March, 2013 and the Government approved Reserve Price contained in the NIA, dated 09.01.2015 are available for these service areas. The Reserve Prices mentioned in the NIA, dated 09.01.2015 for both of these service areas are **higher** than the auction determined prices of March, 2013 (Table comparing various prices is enclosed at **ANNEXURE-I** may kindly be referred to).

3.2 In **Kerala and Rajasthan LSAs**, no spectrum in 800 MHz band was put on sale in March, 2015 auction due to its non-availability; therefore the latest auction determined price is not available for these LSAs. The auction determined price of March, 2013 is available for **Kerala** LSA but auction determined price is not available for **Rajasthan** LSA at all. However, the Government approved Reserve Price of March, 2015 auction is available in respect of these two service areas, which was not put in the NIA.

3.3 Similarly, in respect of **1800 MHz** band in **Bihar** LSA, no bid was received in March, 2015 auction. However, the Reserve Price of March, 2015 is **higher** than the February, 2014 auction determined price.

4. It may be relevant to mention here that, Reserve Price of 800 MHz band in March, 2013 auction was reduced by 50% of Reserve Price of 800MHz in November 2012 auction due to non-availability of contiguous spectrum as one of the reasons. It may also be relevant to mention that Clause 3.10 of NIA, dated 09.01.2015 provides that the differential of the latest auction determined price with that of March, 2013 price, is required to be paid to make the 800 MHz spectrum of March, 2013 contiguous. Further, the constraints/restrictions of the spectrum sold in 2013 auction has also been mentioned in para-8, of the Spectrum Trading Guidelines, dated 12-10-2015 and in Para-8(i) of Spectrum Sharing Guidelines, dated 24-09-2015.

5. It is also to be mentioned that there may be service areas, where no spectrum is available for next auction e.g. in **Kerala** LSA in 800 MHz band, there is no possibility of any auction being held till 2020-21 i.e. till expiry of an existing TSP's License and therefore no auction determined price being available till then. In some cases, only one block (e.g. in Tamilnadu and Karnataka LSAs) is available for auction in 800 MHz band as on date; and more spectrum may not be available till expiry of an existing TSP's license i.e. till 2021. The list containing the validity period of licenses is attached as **ANNEXURE-II**.

6. Further, it may also be necessary to decide the 'reference date' to count the one year period for indexing the last auction determined price wherever applicable as well as the date from which the SBI PLR shall be applied for indexing.

7. In view of above, TRAI is requested to furnish its recommendations on charging for liberalisation of administratively allotted spectrum in the following situations:

- (a) Where the spectrum was put to sale in the latest auction but remained unsold at Government approved Reserve Price.
- (b) Where the spectrum was **not** put to auction due to non availability in the latest auction. In this case two situations may emerge i.e. (i) Government approved Reserve Price of the latest auction is available but not notified in the NIA; (ii) **No** Government approved Reserve Price of the latest auction is available.
- (c) The '**reference date**' to count the one year period for indexing the last auction determined price/ Applicable Price (as may be recommended), wherever applicable, as well as **the date** from which the SBI PLR shall be applied for indexing.
- (d) Any other issues that may be incidental to the above.

An early response in this regard is solicited.

Yours faithfully,
R. B. Prasad

(R.B. Prasad)
Joint Wireless Adviser
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- Encls:** (i) ANNEXURE-I, Table comparing various prices.
(ii) ANNEXURE-II, List containing the validity period of licensees.
(iii) Liberalisation Guidelines dated 05.11.2015

S.No.	Service Area	Nov-12		Mar-13		Mar-15		%	Increase with respect to Reserve price	Total Spectrum Allocated in MHz						
		Spectrum offered for sale (MHz)	Reserve price (Rs. Crores) per MHz	Winning price (Rs. Crores) per MHz	Spectrum Sold (MHz)	Reserve price (Rs. Crores) per MHz	Winning price (Rs. Crores) per MHz				Spectrum put to Auction (MHz)	Reserve Price per MHz (Rs. Crores)	Winning Price per MHz (Rs. Crores)			
1	Andhra Pradesh	2.50	298.39	0.00	0.00	2.50	149.19	0.00	0.00	0.00	6.25	234	605.98	158.97	0	3.75
2	Assam	5.00	9.02	0.00	0.00	5.00	4.50	0.00	0.00	0.00	13.75	28	82.22	193.63	0	10
3	Bihar	5.00	44.21	0.00	0.00	5.00	22.10	0.00	0.00	0.00	5	85	85.85	1	5	
4	Delhi	3.75	720.78	0.00	0.00	3.75	360.39	0.00	0.00	0.00	3.75	617	847.70	37.39	1	5
5	Gujarat	5.00	233.83	0.00	0.00	5.00	116.92	0.00	0.00	0.00	2.5	275	277.74	1	1.25	
6	Haryana	5.00	48.38	0.00	0.00	5.00	24.19	0.00	0.00	0.00	7.5	38	56.57	48.86	1	2.5
7	H.P.	5.00	8.09	0.00	0.00	5.00	4.05	0.00	0.00	0.00	8.75	19	19.57	2.99	7.5	
8	J & K	5.00	6.58	0.00	0.00	5.00	3.29	0.00	0.00	0.00	8.75	28	28.28	1	7.5	
9	Karnataka	5.00	343.33	0.00	0.00	5.00	171.66	0.00	0.00	0.00	1.25	303	0.00	0	Not sold	
10	Kerala	5.00	67.91	0.00	0.00	5.00	59.14	0.00	0.00	0.00	1.25	147	147.00	0	1.25	
11	Kolkata	3.75	118.27	0.00	0.00	3.75	28.07	0.00	0.00	0.00	6.25	91	408.39	348.78	5	
12	M.P.	5.00	56.14	0.00	0.00	5.00	352.80	0.00	0.00	0.00	7.5	339	799.42	135.82	2.5	
13	Maharashtra	3.75	273.33	0.00	0.00	3.75	136.66	0.00	0.00	0.00	7.5	439	727.50	65.72	7.5	
14	Mumbai	5.00	9.19	0.00	0.00	5.00	4.60	0.00	0.00	0.00	7.5	11	25.38	130.69	10	
15	North East	5.00	705.59	0.00	0.00	5.00	34.98	0.00	0.00	0.00	3.75	38	41.04	8	6.25	
16	Orissa	2.50	21.08	0.00	0.00	2.50	10.54	0.00	0.00	0.00	3.75	85	85.85	1	2.5	
17	Punjab	0.00	69.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.25	360	0.00	0	Not sold	
18	Rajasthan	5.00	318.34	0.00	0.00	5.00	159.17	0.00	0.00	0.00	3.75	134	134.00	0	3.75	
19	T.N.	5.00	79.22	0.00	0.00	5.00	39.61	0.00	0.00	0.00	1.25	95	95.00	0	1.25	
20	U.P. (E)	5.00	111.70	0.00	0.00	5.00	55.86	0.00	0.00	0.00	1.25	57	57.00	0	1.25	
21	U.P. (W)	5.00	26.87	0.00	0.00	5.00	13.43	0.00	0.00	0.00	3.75	134	134.00	0	3.75	
22	W.B.	95.00	3640	0.00	0.00	95.00	1785.13	0.00	0.00	0.00	1.25	57	57.00	0	1.25	
	Total															

1800 MHz Band

S.No.	Service Area	2012 Auction		2013 Auction		% increase of AP over last AP	2014 Auction		2015 Auction		% increase of AP over last AP
		Govt Fixed Reserve price (Rs. Crores) per MHz	Winning price (Rs. Crores) per MHz	Govt Fixed Reserve price (Rs. Crores) per MHz	Winning price (Rs. Crores) per MHz		Govt Fixed Reserve price (Rs. Crores) per MHz	Winning price (Rs. Crores) per MHz	Govt Fixed Reserve price (Rs. Crores) per MHz	Winning price (Rs. Crores) per MHz	
1	Andhra Pra	229.53	229.53				163.00	163.00	169	242.8	48.96
2	Assam	6.94	6.94				7.00	36.10	169	420.47	
3	Bihar	34.01	37.14				37.00	43.10	62	16.05	
4	Delhi	554.45	0.00		0.00		219.00	364.00			
5	Gujarat	179.87	179.87				143.00	237.80	238	238	0.08
6	Haryana	37.22	37.22				27.00	27.00	32	46.6	72.59
7	H.P.	6.22	6.22				6.00	6.00	9	15.9	165.00
8	J & K	5.06	5.06				5.00	6.10			
9	Karnataka	264.10	0.00	184.87	0.00		155.00	155.00	185	185	19.35
10	Kerala	52.24	52.24				52.00	52.00	75	83.45	60.48
11	Kolkata	90.98	90.98				73.00	73.00	73	149.1	104.25
12	M.P.	43.19	43.19				43.00	50.40			
13	Maharashtra	210.25	210.25				173.00	290.35			
14	Mumbai	542.76	0.00	379.93	0.00		207.00	272.00			
15	North East	7.07	7.07				7.00	7.00	11	11	57.14
16	Orissa	16.22	16.22				16.00	16.00	23	33.1	106.88
17	Punjab	53.82	53.82				54.00	54.00	71	71	31.48
18	Rajasthan	53.66	0.00	37.56	0.00		26.00	26.00	60	72.75	179.81
19	T.N.	244.87	244.87				208.00	208.00	225	225	8.17
20	U.P. (E)	60.94	60.94				61.00	64.00	97	106.95	67.11
21	U.P. (W)	85.93	85.93				62.00	94.95	95	95.95	1.05
22	W.B.	20.67	20.67				21.00	24.60			
	Total										

20

List of UL(AS)/UASL/CMTS/Basic licences as on 25.11.2013

Sl. No.	Name of Licensee Company	Service Area	Type of Licence	Effective Date of Licence
1	Aditya Birla Telecom Ltd.	Bihar	UAS	6-Dec-2006
2	Aircel Cellular Limited	Chennai	CMTS	29-Nov-1994
3	Aircel Ltd.	Tamilnadu	CMTS	31-Dec-1998
4	Aircel Ltd.	Andhra Pradesh	UAS	5-Dec-2006
5	Aircel Ltd.	Delhi	UAS	5-Dec-2006
6	Aircel Ltd.	Gujarat	UAS	5-Dec-2006
7	Aircel Ltd.	Karnataka	UAS	5-Dec-2006
8	Aircel Ltd.	Maharashtra	UAS	5-Dec-2006
9	Aircel Ltd.	Rajasthan	UAS	5-Dec-2006
10	Aircel Ltd.	Mumbai	UAS	6-Dec-2006
11	Bharat Sanchar Nigam Ltd.	Andhra Pradesh	CMTS	29-Feb-2000
12	Bharat Sanchar Nigam Ltd.	Assam	CMTS	29-Feb-2000
13	Bharat Sanchar Nigam Ltd.	Bihar	CMTS	29-Feb-2000
14	Bharat Sanchar Nigam Ltd.	Gujarat	CMTS	29-Feb-2000
15	Bharat Sanchar Nigam Ltd.	Haryana	CMTS	29-Feb-2000
16	Bharat Sanchar Nigam Ltd.	Himachal Pradesh	CMTS	29-Feb-2000
17	Bharat Sanchar Nigam Ltd.	Jammu & Kashmir	CMTS	29-Feb-2000
18	Bharat Sanchar Nigam Ltd.	Karnataka	CMTS	29-Feb-2000
19	Bharat Sanchar Nigam Ltd.	Kerala	CMTS	29-Feb-2000
20	Bharat Sanchar Nigam Ltd.	Kolkata	CMTS	29-Feb-2000
21	Bharat Sanchar Nigam Ltd.	Madhya Pradesh	CMTS	29-Feb-2000
22	Bharat Sanchar Nigam Ltd.	Maharashtra	CMTS	29-Feb-2000
23	Bharat Sanchar Nigam Ltd.	North East	CMTS	29-Feb-2000
24	Bharat Sanchar Nigam Ltd.	Orissa	CMTS	29-Feb-2000
25	Bharat Sanchar Nigam Ltd.	Punjab	CMTS	29-Feb-2000
26	Bharat Sanchar Nigam Ltd.	Rajasthan	CMTS	29-Feb-2000
	Bharat Sanchar Nigam Ltd.	Chennai (Mergerd with Tamilnadu)		29-Feb-2000
27	Bharat Sanchar Nigam Ltd.	Tamilnadu (excluding Chennai Service Area)	CMTS	29-Feb-2000
28	Bharat Sanchar Nigam Ltd.	Uttar Pradesh (East)	CMTS	29-Feb-2000
29	Bharat Sanchar Nigam Ltd.	Uttar Pradesh (West)	CMTS	29-Feb-2000
30	Bharat Sanchar Nigam Ltd.	West Bengal	CMTS	29-Feb-2000
31	Bharti Airtel Limited	Delhi	UAS	29-Nov-1994
32	Bharti Airtel Limited	Kolkata	UAS	29-Nov-1994
33	Bharti Airtel Limited	Andhra Pradesh	UAS	12-Dec-1995
34	Bharti Airtel Limited	Himachal Pradesh	UAS	12-Dec-1995
35	Bharti Airtel Limited	Punjab	UAS	12-Dec-1995
36	Bharti Airtel Limited	Karnataka	UAS	15-Feb-1996
37	Bharti Airtel Limited	Gujarat	UAS	28-Sep-2001
38	Bharti Airtel Limited	Haryana	UAS	28-Sep-2001
39	Bharti Airtel Limited	Kerala	UAS	28-Sep-2001
40	Bharti Airtel Limited	Madhya Pradesh	UAS	28-Sep-2001
41	Bharti Airtel Limited	Maharashtra	UAS	28-Sep-2001
42	Bharti Airtel Limited	Mumbai	UAS	28-Sep-2001

43	Bharti Airtel Limited	Tamilnadu (including Chennai Service Area)	UAS	28-Sep-2001
44	Bharti Airtel Limited	Uttar Pradesh (West)	UAS	28-Sep-2001
45	Bharti Airtel Limited	Bihar	UAS	10-Feb-2004
46	Bharti Airtel Limited	Jammu & Kashmir	UAS	10-Feb-2004
47	Bharti Airtel Limited	Orissa	UAS	10-Feb-2004
48	Bharti Airtel Limited	Uttar Pradesh (East)	UAS	10-Feb-2004
49	Bharti Airtel Limited	West Bengal	UAS	11-Feb-2004
50	Bharti Airtel Limited	Assam	UAS	8-Jul-2004
51	Bharti Hexacom Ltd.	North East	CMTS	12-Dec-1995
52	Bharti Hexacom Ltd.	Rajasthan	UAS	22-Apr-1996
53	BSNL(L.No.10-32000-BS.II Dt 29.09.2000)	All India	Basic	29-Sep-2000
54	Dishnet Wireless Ltd.	Assam	UAS	21-Apr-2004
55	Dishnet Wireless Ltd.	Bihar	UAS	21-Apr-2004
56	Dishnet Wireless Ltd.	Himachal Pradesh	UAS	21-Apr-2004
57	Dishnet Wireless Ltd.	Jammu & Kashmir	UAS	21-Apr-2004
58	Dishnet Wireless Ltd.	North East	UAS	21-Apr-2004
59	Dishnet Wireless Ltd.	Orissa	UAS	21-Apr-2004
60	Dishnet Wireless Ltd.	West Bengal	UAS	21-Apr-2004
61	Dishnet Wireless Ltd.	Haryana	UAS	14-Dec-2006
62	Dishnet Wireless Ltd.	Kerala	UAS	14-Dec-2006
63	Dishnet Wireless Ltd.	Kolkata	UAS	14-Dec-2006
64	Dishnet Wireless Ltd.	Madhya Pradesh	UAS	14-Dec-2006
65	Dishnet Wireless Ltd.	Punjab	UAS	14-Dec-2006
66	Dishnet Wireless Ltd.	Uttar Pradesh (East)	UAS	14-Dec-2006
67	Dishnet Wireless Ltd.	Uttar Pradesh (West)	UAS	14-Dec-2006
68	HFCL Infotel Ltd.	Punjab	UAS	30-Sep-1997
69	Idea Cellular Ltd.	Gujarat	CMTS	12-Dec-1995
70	Idea Cellular Ltd.	Haryana	CMTS	12-Dec-1995
71	Idea Cellular Ltd.	Kerala	CMTS	12-Dec-1995
72	Idea Cellular Ltd.	Madhya Pradesh	CMTS	12-Dec-1995
73	Idea Cellular Ltd.	Maharashtra	CMTS	12-Dec-1995
74	Idea Cellular Ltd.	Uttar Pradesh (West)	CMTS	12-Dec-1995
75	Idea Cellular Ltd.	Andhra Pradesh	CMTS	19-Dec-1995
76	Idea Cellular Ltd.	Delhi	CMTS	5-Oct-2001
77	Idea Cellular Ltd.	Himachal Pradesh	CMTS	5-Oct-2001
78	Idea Cellular Ltd.	Rajasthan	CMTS	5-Oct-2001
79	Idea Cellular Ltd.	Uttar Pradesh (East)	CMTS	5-Oct-2001
80	Idea Cellular Ltd.	Mumbai	UAS	5-Dec-2006
81	Loop Mobile (India) Ltd.	Mumbai	CMTS	29-Nov-1994
82	Mahanagar Telephone Nigam Ltd.	Delhi	CMTS	10-Oct-1997
83	Mahanagar Telephone Nigam Ltd.	Mumbai	CMTS	10-Oct-1997
84	MTNL(Lno.1-101/85-MTC/PHB Dt 27.03.1986)	Delhi & Mumbai	Basic	27-Mar-1986
85	Reliance Communications Ltd.	Gujarat	UAS	30-Sep-1997
86	Reliance Communications Ltd.	Andhra Pradesh	UAS	20-Jul-2001
87	Reliance Communications Ltd.	Bihar	UAS	20-Jul-2001
88	Reliance Communications Ltd.	Delhi	UAS	20-Jul-2001
89	Reliance Communications Ltd.	Haryana	UAS	20-Jul-2001

