



Association of Unified Telecom Service Providers of India

AUSPI/12/2015/044

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Subject: AUSPI's response to the TRAI Consultation Paper No.6/2015 on "Valuation and Reserve Price of Spectrum in 700, 800, 900, 1800, 2100, 2300 and 2500 MHz bands"

Dear Sir,

Please find attached AUSPI's response to the TRAI Consultation on "Valuation and Reserve Price of Spectrum in 700, 800, 900, 1800, 2100, 2300 and 2500 MHz bands" for your consideration.

Thanking you,

Yours sincerely,

Ashok Sud
Secretary General
Mob: 9312941515

Encl: As above

Copy to :

1. Shri R S Sharma, Chairman, TRAI
2. Dr. Vijayalakshmy K Gupta, Member, TRAI
3. Shri Anil Kaushal, Member, TRAI
4. Shri Sudhir Gupta, Secretary, TRAI



**AUSPI's Response to TRAI Consultation Paper No.06/2015 on
Valuation and Reserve Price of Spectrum in
700, 800, 900, 1800, 2100, 2300 and 2500 MHz Bands**

- Q1. *Whether the entire spectrum available with DoT in the 800 MHz band be put for auction? Justify your answer.***

AUSPI's Response

We suggest that the entire spectrum available with the Government should be put to auction without any restriction. In addition, Government should also try to put additional spectrum to the extent possible for the forthcoming auction.

It is desirable to make available spectrum in contiguous blocks to the extent possible to enable operators to take maximum advantage of the liberalised spectrum so acquired. Harmonisation of the 800 MHz spectrum band should be completed at the earliest.

- Q2. *How can the spectrum in the 800 MHz band, which is not proposed to be auctioned due to non-availability of inter-operator guard band, be utilised?***

AUSPI's Response

It is not desirable to waste spectrum on account of large number of inter-operator guard band. The spectrum in 800 MHz band can be utilised efficiently by auctioning in 1.25 MHz block size.

It is also submitted that there exists 2.5 MHz of spectrum without guard band in Kerala. We recommend that at least 1.25 MHz spectrum be made available with slight realignment for guard bands as has been done previously in Karnataka, Tamil Nadu & Kolkata circles. Spectrum in Kerala LSA was not put up for auction in last auction in Mar'15 as well.

- Q3. *What should be the block size in the 700 MHz band?***

AUSPI's Response

Frequency band 698-806 MHz (700 MHz spectrum band) with FDD based 2x 45 MHz assignment should be taken for adoption in India and for auction.

As per TRAI, only 2 x 35 MHz spectrum is available for commercial purpose in the licensed service areas in the country in 700 MHz. Therefore, with the available spectrum in 700 MHz, AUSPI suggests that a block size of 2 x 5 MHz spectrum would cater to 7 users and therefore be the optimal choice.



- Q4.** *Whether there is any requirement to change the provisions of the latest NIA with respect to block size and minimum quantum of spectrum that a new entrant/existing licenses/expiry licensee is required to bid for in 800, 900, 1800 and 2100 MHz bands. Please give justification for the same.*

AUSPI's Response

As per clause 2.1(a) of NIA 2015, the new entrants were required to bid minimum 5 MHz spectrum. Those licensees, whose permits were expiring in 2015-16 and did not hold any spectrum in 1800MHz through auctions held since November 2012, were required to bid minimum 5MHz. But the licensees whose permits were expiring in 2015-16 and held any spectrum in 1800MHz band acquired through auction since November 2012 were allowed to bid for minimum of 0.6MHz.

While the above principle has been established for 1800MHz in the March 2015 auctions, there was no such clause for 800MHz band, as there were no operators whose licenses were expiring and who had won spectrum in 800MHz band during the last auction.

However, the situation would be different in the forthcoming round of auction wherein some of our member operator, whose licenses are expiring in September 2017 in some circles and they have taken spectrum in these circles in the last auctions in the 800 MHz band. In this situation, as per the above principle of 1800 MHz band as established in March 2015 auctions, some of our member operators should be allowed to bid for minimum of 1.25MHz in 800MHz band instead of 5MHz.

a) Block Size

The block size in 800, 900, 1800 & 2100 MHz bands should be as per the latest NIA of 9th January, 2015 i.e. 2 x 200 KHz in both 900 MHz & 1800 MHz bands, 2x 1.25 MHz block size in 800 MHz and 2 x 5 MHz block size in 2100 MHz band.

b) Minimum Quantum to be bid

i. 800MHz:

- **New entrant:** A new entrant is required to bid (i) a minimum of four blocks in those LSAa where four or more blocks are available (ii) minimum three blocks in those LSAa where less than four blocks, but equal to three blocks is available & (iii) Minimum of two blocks in those LSAs where less than three blocks, but equal to two blocks is available.



- **Existing Licensee:** Existing licensees holding spectrum in 800 MHz band may bid for a minimum of one block.
- **Expiry license** holding 800 MHz acquired in 2015 auction, should be allowed to bid for minimum of 1.25 MHz

ii. **2100 MHz:** Minimum one block of 5 MHz (paired)

Q5. What should be the block size in the 2300 MHz and 2500 bands?

AUSPI's Response

Block size for 2300 MHz and 2500 MHz in TDD mode should be 20 MHz. In the forthcoming auction, minimum block size of 20 MHz (unpaired) for both 2300 & 2500 MHz should be retained.

Q10. Suggest an appropriate coverage obligation upon the successful bidders in 700 MHz band? Whether these obligations be imposed on some specific blocks of spectrum (as was done in Sweden and UK) or uniformly on all the spectrum blocks?

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Q11. Should it be mandated to cover the villages/rural areas first and then urban areas as part of roll-out obligations in the 700 MHz band?

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Q12. In the auction held in March 2015, specific roll-out obligations were mandated for the successful bidders in 800 MHz, 900 MHz, 1800 MHz and 2100 MHz spectrum bands. Stakeholders are requested to suggest:

(a) How the roll-out obligations be modified to enhance mobile coverage in the villages? Which of the approaches discussed in para 2.58 should be used?

(b) Should there be any roll out obligation for the existing service providers who are already operating their services in these bands.

Please support your answer with justification.

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Q13. In the auction held in 2010, specific roll-out obligations were mandated for the successful bidders in 2300 MHz spectrum band. Same were made applicable to the licensee having spectrum in 2500 MHz band. Stakeholders are requested to suggest:

(a) Should the same roll-out obligations which were specified during the 2010 auctions for BWA spectrum be retained for the upcoming auctions in the 2300 MHz and 2500 MHz bands? Should both these bands be treated as same band for the purpose of roll-out obligations?

(b) In case existing service providers who are already operating their services in 2300 MHz band acquire additional block of spectrum in 2300 or 2500 MHz band, should there be any additional roll out obligation imposed on them?



AUSPI's Response (Q10-Q13)

Operators have already carried out extensive rollout in all circles both for voice and data. Mandating band wise rollout obligations in the present technology agnostic era wherein various bands are being combined to deliver telecom services, band wise rollout obligation should not be a precondition. **Therefore, rollout obligation should be linked to the license and not to spectrum bands/blocks.**

Rollout obligation as per the license agreement has already been carried out by the existing service providers. There is no necessity of any additional rollout obligations to be imposed on some specific blocks of spectrum purchased through auction if the TSP has already covered the rollout obligation. Similarly, the expiry licensees, who have completed rollout obligations, need not be asked to do it again on renewal of their permits. Accordingly, for such service providers, rollout obligation should not be mandated to villages/ urban areas separately.

Q14. Keeping sufficient guard band or synchronization of TDD networks using adjacent spectrum blocks are the two possible approaches for interference management. Considering that guard band between adjacent spectrum blocks in 2300 MHz band is only 2.5 MHz in a number of LSAs, should the network synchronization amongst TSPs be mandated or should it be left to the TSPs for the interference free operation in this band? Please support your suggestion with proper justifications.

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Q15. In case, synchronization of the TDD networks is to be dealt by the regulator/licensor, what are the parameters that the regulator/licensor should specify? What methodology should be adopted to decide the values of the frame synchronization parameters?

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Q16. If synchronization of the TDD networks is ensured, is there a need for any guard band at all? If no guard band is required, how best the spectrum left as inter-operator guard band be utilised?

AUSPI's Response (Q14-Q16)

The issue regarding sufficient guard band or synchronisation etc should be left to the service provider, who would take care of these aspects on mutual discussion with all concerned. We do not consider involvement of the licensor/regulator for the purpose of synchronization etc. is required.



Q18. Stakeholder are requested to comment on

(a) Whether the guidelines for liberalisation of administratively allotted spectrum in 900 MHz band should be similar to what has been spelt out by the DoT for 800 and 1800 MHz band? In case of any disagreement, detailed justifications may be provided.

(b) Should the liberalization of spectrum in 800, 900 and 1800 MHz be made mandatory?

AUSPI's Response

a) Liberalisation of 900 MHz should be similar to what has been done for 800 MHz and 1800 MHz bands.

b) Liberalisation of spectrum should not be made mandatory.

Q24. Should the value of May 2010 auction determined prices be used as one possible valuation for 2300 MHz spectrum in the next round of auction? If yes, then how? And, if not, then why not?

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Q25. Should the value of the 2300 MHz spectrum be derived on the basis of the value of any other spectrum band using the technical efficiency factor? If yes, please indicate the spectrum band and technical efficiency factor with 2300 MHz spectrum along with supporting documents.

AUSPI's Response (Q24-Q25)

The value of 2300 MHz spectrum in the next round of auction may be based on the value of May 2010 auction determined price with applicable SBI PLR rates.

As 2300 MHz spectrum has already auctioned earlier, there is no necessity of any technical efficiency factor being considered for determining the Reserve Price.

Q26. Should the valuation of the 2500 MHz spectrum be equal to the valuation arrived at for the 2300 MHz spectrum? If no, then why not? Please support your comments with supporting documents/ literature.

AUSPI's Response

Yes. We recommend that the valuation of 2500 MHz spectrum Band be based on the valuation arrived at for the 2300 MHz.
