

Government of India
Ministry of Communications
Department of Telecommunications
Wireless Planning & Coordination (WPC) Wing
6th floor, Sanchar Bhawan,
20, Ashoka Road, New Delhi.

No.: L-14047/08/2021-NTG

Date: 08.10.2021

Office Memorandum


As a part of the reforms and support package for the Telecommunications sector, the Government has taken the following decisions with regard to the future spectrum assignments to Telecom Service Providers (TSPs):

- (i) For spectrum auctions to be held in the future, the requirement for the successful bidder to submit a Financial Bank Guarantee (FBG) of an amount equal to one annual instalment to securitize the instalment; and to submit Performance Bank Guarantee (PBG) for roll out obligations etc., has been dispensed with. DoT will also appropriately address the eligibility conditions for participation in the auction, so that the participants have sufficient financial capacity.
- (ii) In future auctions, access spectrum would be assigned for a period of 30 years. However, since in past auctions the reserve prices and bids were corresponding to validity of 20 years, there will be no change in the tenure for spectrum acquired in past auctions. For undertaking auction for spectrum with validity for 30 years, TRAI recommendations have been sought for associated conditions like upfront payment requirements, applicable moratorium period after upfront payments, number of deferred payment instalments and other related modalities.
- (iii) Spectrum auctions will be held normally in the last quarter of every financial year. Whenever necessary, auctions can be held at shorter intervals also.
- (iv) For the auctions conducted henceforth, TSPs will be permitted to surrender spectrum after a minimum period of 10 (ten) years. TSPs will have to inform one year prior to surrendering their spectrum. An appropriate surrender fee will, however, be charged. TRAI's recommendations have been sought on the conditions and fee for such surrender. However, the spectrum purchase dues for the remaining (post surrender) period will not be levied.


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- (v) For spectrum acquired in future auctions, no Spectrum Usage Charges (SUC) will be levied. The condition of minimum 3% weighted average SUC rate and SUC floor amount will also be removed. Guidelines will be issued by DOT to operationalise the decision.
- (vi) In order to encourage spectrum sharing for better utilisation and efficiency, henceforth spectrum sharing will not attract increase of 0.5% in the SUC rate. Guidelines are being issued separately.

This issues with the approval of Secretary (T).


08.10.2024
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To,

- (1) All Telecom Service Providers.
- (2) Secretary (TRAI).
- (3) DDG (WPF) / DDG (LFA) / DDG (LFP) / DDG (AS), DoT.
- (4) DoT website.