

Response to TRAI consultation paper on Overall Spectrum Management and review of license terms and condition dated 16th October, 2009

Chapter 1

Spectrum requirement and availability

- 1. Do you agree with the subscriber base projections? If not, please provide the reasons for disagreement and your projection estimates along with their basis?**

Yes, we are in agreement with the subscriber base projections made by the Authority.

- 2. Do you agree with the spectrum requirement projected in ¶ 1.7 to ¶1.12? Please give your assessment (service-area wise).**

1. With reference to DoT Spectrum Committee Report "In case of GSM, the increase in cell capacity per additional MHz of spectrum settles to a steady 9 Erlangs / BTS beyond 10 + 10 MHz. If we assume that hotspots, microcells, etc need a further 2 + 2 MHz, the saturation point beyond which spectrum efficiency does not improve significantly can be taken to be 12 + 12 MHz of GSM".
2. Eminent academic and technical experts have also highlighted that the average spectrum assignment for GSM has come down from 2 x 6.8 MHz to 2 x 5.7 MHz which is quite low when compared to the spectrum efficiency saturation level of around 2 x 12 MHz.
3. Presently, there are 12 – 14 operators in each LSA with a projected requirement of approximately 12 + 12 MHz for each operator (ref. DoT committee recommendations). However, the minimum spectrum requirement for providing GSM based services in each LSA varies between **144 MHz to 168 MHz** which is much higher than the projected spectrum requirement of 100 MHz.

- 3. How can the spectrum required for Telecommunication purposes and currently available with the Government agencies be re-farmed?**

1. Department of Telecommunications presently has accurate statistics pertaining to the spectrum made available and being utilized by various government agencies.
2. We hereby, request the authority to designate independent agency(s) comprising of eminent academic and technical experts to study the detailed requirement of various government agencies and accordingly suggest a path forward for refarming of spectrum.

4. In view of the policy of technology and service neutrality licences, should any restriction be placed on these bands (800,900 and 1800 MHz) for providing a specific service and secondly, after the expiry of present licences, how will the spectrum in the 800/900 MHz band be assigned to the operators?

1. As per the licensing condition “The licensee shall provide the details of technology proposed to be deployed for operation of the service. The technology should be based on standards issued by ITU/TEC or any other international standards organization / bodies / industry. Any digital technology having been used for a customer base of one lakh or more for a continuous period of one year anywhere in the world shall be permissible for use regardless of its changed versions.”
2. We would also like to highlight that under the scope of License, Licensee is permitted to provide Broadband services including triple play i.e voice, video and data. With technological developments / advancements we recommend not restricting the licensee for providing services based on specific systems.

In accordance with clause no 4.1 of the UAS License, “*The LICENSOR may extend, if deemed expedient, the period of LICENCE by 10 years at one time, upon request of the LICENSEE, if made during 19th year of the Licence period on terms mutually agreed. The decision of the LICENSOR shall be final in regard to the grant of extension.*”

3. It is further submitted that since at present, the license and spectrum allocations are bundled /co-terminus, extension of license also means de facto extension of the spectrum allocated under the said license. .
4. Thus, even in the event that spectrum is de-linked from license, the first priority / right of first refusal must be given to the operator/licensee who has been allocated and is using the said spectrum to deliver wireless/mobile services. However, the spectrum is to be assigned on the then applicable rates.

5. How and when should spectrum in 700 MHz band be allocated between competitive services?

6. What is the impact of digital dividend on 3G and BWA?

Pertaining to Question 5 & 6 it is submitted that:

1. Understanding the scarcity of spectrum resources, most of the countries across the globe are in the process of migrating their analog systems to digital systems which enables them to utilize the spectrum in efficient and cost effective manner.
2. We believe that frequency band 698-806 MHz is ideal for Mobile Broadband services because of its excellent propagation characteristics and technologies like HSPA and LTE can revolutionize the broadband market in India.

3. The most efficient solution in the 698-806 MHz band is a 2 X 50 MHz arrangement (with 8 MHz center gap), as it will:

Deliver large contiguous blocks of spectrum for mobile broadband.

Maximize the use of limited spectrum available in India and is hence the most spectrally efficient arrangement.

Avoid the potential fragmentation of the band thereby reducing the complexity of the terminals.

Ensure better co-existence with adjacent radio communication (broadcast) services with reverse duplex arrangement.

4. Early release and allocation of spectrum to telcos will boost penetration of broadband services in India and will thereby help to achieve government objective of providing broadband services to remote areas of India.

Chapter 2

Licensing issues

7. **Should the spectrum be delinked from the UAS Licence? Please provide the reasons for your response.**

We agree with DoT committee recommendation for de-linking of spectrum from UAS licenses to be issued in future

8. **In case it is decided not to delink spectrum from UAS license, then should there be a limit on minimum and maximum number of access service providers in a service area? If yes, what should be the number of operators?**

With reference to our reply to question no 7, we are in favor of de-linking of spectrum from UAS license

9. **What should be the considerations to determine maximum spectrum per entity?**

10. **Is there a need to put a limit on the maximum spectrum one licensee can hold? If yes, then what should be the limit? Should operators having more than the maximum limit, if determined, be assigned any more spectrum?**

Pertaining to Question 9 & 10 it is submitted that:

With reference to DoT Committee Report *“Licensees should be permitted to consolidate spectrum holding up to the maximum amount that can be held by an operator without restricting competition. It is noted in the existing merger guidelines of intra-service area UAS and CMTS licenses (DoT, 2008) that the market share of a merged entity shall not be greater than 40% either in terms of subscriber base or Adjusted Gross Revenue. If this rule is applied, this would*

automatically mean that there must be at least three operators in each circle. Since competing operators may not all have similar market share, it is more reasonable to assume that there must be at least four operators to ensure that this limit is satisfied. This means that no operator should hold more than 25% of the total spectrum assigned in a service area in the bands listed in Paragraph II-2(b) for the UASL/ CMTS services, irrespective of technology mix, deployed by the operator. Since the average amount of spectrum assigned per service area is 2 X 75 MHz, the cap allows operators to hold up to 2 X 18.75 MHz on average per service area. This is roughly similar to the international average holding per operator.”

The spectrum allocated to UAS / CMTS for providing broadband services in other commercial bands should also be taken into consideration while calculating a maximum cap of spectrum holding.

11. If an existing licensee has more spectrum than the specified limit, then how should this spectrum be treated? Should such spectrum be taken back or should it be subjected to higher charging regime?

We would like to rely on the affidavit of DoT submitted before the Hon'ble TDSAT wherein it was contended / submitted that:

“It is submitted that allotments of spectrum were made in accordance with the norms prevailing at the stage of allotment. ...

...to achieve the objectives of continued growth of telecom services, further spectrum beyond 2 x 6.2 MHz has also been allotted to various operators, as per guidelines/ orders/ criteria in force at the time of such allotment. These criteria have been formulated and appropriately reviewed periodically, taking into account TRAI recommendations and development of technological features, etc.

It is thus the case of these respondents that no spectrum in excess of what was permissible has been granted to any mobile operator.

The issue of criteria, allotment of additional spectrum and pricing are the part of normal spectrum management functions and accordingly orders in this regard were issued as, a part of normal procedure.

The additional spectrum to GSM operators were allotted as per guidelines, orders and eligibility criteria prevalent on the respective dates of allotment. The Service Licence agreement provides the licensor the right to modify and/ or amend the procedure of allocation of spectrum including quantum of spectrum at any point of time without assigning any reason.

The additional spectrum to GSM operators, beyond the initial spectrum had been allotted, as per the guidelines, orders and subscriber based edibility criteria prevalent on the respective dates of allotment. The allotments were made subject to availability of spectrum as well as enabling provision enshrined in the service License Agreement.”

However it is suggested as per the present scenario if there is an operator that exists with excess spectrum than what is desired as per the current prevailing subscriber base then the authority should take stern actions by introducing regulation wherein either exemplary charges may be levied or a provision for compulsory forfeiture of the excess spectrum may be introduced in order to facilitate the authority's prime objective of level playing field thereby ensuring proper and full utilization of the spectrum which is, as we all know, a scarce natural resource..

12. In the event fresh licences are to be granted, what should be the Entry fee for the license?

13. In case it is decided that the spectrum is to be de-linked from the license then what should be the entry fee for such a Licence and should there be any roll out condition?

Pertaining to Question 12 & 13 it is submitted that:

In case fresh licenses are awarded same to be de-linked from spectrum and Authority to consider its previous standing on award of licenses without any contractual obligation for providing initial start up spectrum for provision of wireless services.

14. Is there a need to do spectrum audit? If it is found in the audit that an operator is not using the spectrum efficiently what is the suggested course of action? Can penalties be imposed?

We believe that every operator providing wireless service is aware that spectrum is a scarce natural resource and while provisioning of services every operator consider techno-economic feasibility. Hence, it is proposed that no spectrum audits need to be conducted.

15. Can spectrum be assigned based on metro, urban and rural areas separately? If yes, what issues do you foresee in this method?

Spectrum to be assigned for entire licensed service area as assignment of spectrum on basis of metro, urban and rural areas can emerge a complex situation which can further lead to administrative failure and litigations.

16. Since the amount of spectrum and the investment required for its utilisation in metro and large cities is higher than in rural areas, can asymmetric pricing of telecom services be a feasible proposition?

In current market dynamics it is submitted that pricing of services to be left on market forces. However we would also like to highlight that OPEX for providing wireless services in rural areas is much higher than in urban areas.

M&A issues

- 17. Whether the existing licence conditions and guidelines related to M&A restrict consolidation in the telecom sector? If yes, what should be the alternative framework for M&A in the telecom sector?**

We believe that existing licensing conditions and guidelines discourage M&A. therefore we are in agreement with DoT committee recommendation on consolidation.

- 18. Whether lock-in clause in UASL agreement is a barrier to consolidation in telecom sector? If yes, what modifications may be considered in the clause to facilitate consolidation?**

The lock-in clause in UASL agreement will deter the growth of telecom sector and will thereby result in slow realization of Government's objective / vision. Therefore it is suggested that the Lock-in clause should be removed / done away with from the license agreement in light of the averment made.

- 19. Whether market share in terms of subscriber base/AGR should continue to regulate M&A activity in addition to the restriction on spectrum holding?**

In order to ensure level playing field and as recommended by DoT committee subscriber base criterion / AGR to be opted as a yardstick to avoid monopoly in the market.

- 20. Whether there should be a transfer charge on spectrum upon merger and acquisition? If yes, whether such charges should be same in case of M&A/transfer/sharing of spectrum?**

- 21. Whether the transfer charges should be one-time only for first such M&A or should they be levied each time an M&A takes place?**

Pertaining to Question 20 & 21 it is submitted that:

1. In case of spectrum acquired through Government's prescribed market process no transfer charges should be made applicable.
2. Transfer charges should not be levied on the spectrum, upto 6.2 + 6.2 MHz, allotted ancillary to the UAS license.
3. However, transfer charges to be imposed on the spectrum beyond 6.2 + 6.2 MHz awarded through an administrative process.
4. We would like to submit that transfer charges to be levied only once and to apply on traded / transferred / shared spectrum which has not been acquired through market process.

- 22. Whether transfer charges should be levied on the lesser or higher of the 2G spectrum holdings of the merging entities?**

Transfer charges to be levied on lesser of 2G spectrum holding of the merging entities and to apply on chunk of spectrum not acquired through Government prescribed process.

23. Whether the spectrum held consequent upon M&A be subjected to a maximum limit?

With reference to our above submissions, maximum limit of spectrum holding to be prescribed as 25 % of the total spectrum assigned in a service area irrespective of technology mix and / or spectrum band deployed.

Spectrum Trading

24. Is spectrum trading required to encourage spectrum consolidation and improve spectrum utilization efficiency?

Introduction of spectrum trading concept will definitely lead to a homogeneous environment encouraging spectrum consolidation and thus leading to efficient utilization of spectrum.

25. Who all should be permitted to trade the spectrum?

Every entity / licensee assigned spectrum for provision of commercial services in any of the available frequency bands should be permitted to trade spectrum.

26. Should the original allottee who has failed to fulfill “Roll out obligations” be allowed to do spectrum trading?

1. Roll-out obligation should not be set as a barrier for trade of spectrum as the same can impact the growth of telecom sector in India.
2. However a scientific method needs to be derived for imposition of penalty to original allottee, in case entire spectrum is transferred to another entity.

27. Should transfer charges be levied in case of spectrum trading?

As submitted above transfer charges should apply only in the case of the first transfer/ merger/ trade of spectrum which has not been acquired through market process.

28. What should be the parameters and methodology to determine first time spectrum transfer charges payable to Government for trading of the spectrum? How should these charges be determined year after year?

We request authority to take DoT Committee view to define spectrum trading charges.

29. Should such capping be limited to 2G spectrum only or consider other bands of spectrum also? Give your suggestions with justification.

With reference to our above submissions, maximum limit of spectrum holding to be prescribed as 25 % of the total spectrum assigned in a service area irrespective of technology mix and / or spectrum band deployed.

30. Should size of minimum tradable block of spectrum be defined or left to the market forces?

It should be left to market forces to define minimum block of spectrum to be traded as various factors like technological developments, channeling plan, etc needs to be taken into consideration.

31. Should the cost of spectrum trading be more than the spectrum assignment cost?

We believe, It should be left to the market requirements to decide the cost of spectrum to be traded.

Spectrum sharing

32. Should Spectrum sharing be allowed? If yes, what should be the regulatory framework for allowing spectrum sharing among the service providers?

33. What should be criteria to permit spectrum sharing?

Pertaining to Question 32 & 33 it is submitted that:

We request the authority to define appropriate Regulatory framework and the scope for sharing of spectrum with clear and unambiguous understanding on the concept of spectrum sharing and its consequences thereof (including ICR).

34. Should spectrum sharing charges be regulated? If yes then what parameters should be considered to derive spectrum sharing charges? Should such charges be prescribed per MHz or for total allocated spectrum to the entity in LSA?

We believe that in order to avoid any doubt and unfair practices, Authority shall formulate unbiased policies pertaining to spectrum sharing.

35. Should there be any preconditions that rollout obligation be fulfilled by one or both service provider before allowing the sharing of spectrum?

36. In case of spectrum sharing, who will have the rollout obligations? Giver or receiver?

Pertaining to Question 35 & 36 it is submitted that:

We believe that fulfillment of rollout obligations should not be made a condition precedent for sharing of spectrum.

Perpetuity of licences

37. Should there be a time limit on licence or should it be perpetual?

1. As submitted above, Clause 4 of the UAS License, which pertains to extension of license reads as below

4.1 The LICENSOR may extend, if deemed expedient, the period of LICENCE by 10 years at one time, upon request of the LICENSEE, if made during 19th year of the Licence period on terms mutually agreed. The decision of the LICENSOR shall be final in regard to the grant of extension.

2. However, the existing licenses granted by the Licensor are already extendable in perpetuity and can only be suspended, revoked or terminated under certain conditions /for reasons specified under license.
3. Furthermore, the establishment of network and technological advancements involves high cost in establishment(s) / up gradation(s) of network(s).

38. What should be the validity period of assigned spectrum in case it is delinked from the licence? 20 years, as it exists, or any other period.

1. At present, the license and spectrum are bundled and the validity of the spectrum assignment is co-terminus with the validity of the license. Thus, spectrum assigned to a licensee at different points of time over the tenure of the license has different validity periods. It would thus not be correct to state the current validity of spectrum allocations, as it exists is 20 years.

2. This is also the view held by the DoT Spectrum Committee that

*a. "As per the current policy, spectrum rights assigned **to licensees** are co-terminus with the period of license, which is 20 years from the grant of license. Even though different parcels of spectrum are received by a licensee at different points in time, they all have validity upto the same date, i.e., upto the expiry of UASL/CMTS."*

3. It is however suggested that once the spectrum is allocated independently through an auction, the spectrum may assigned with a validity period of 20 years.

39. What should be the validity period of spectrum if spectrum is allocated for a different technology under the same license midway during the life of the license?

No Comments

40. If the spectrum assignment is for a defined period, then for what period and at what price should the extension of assigned spectrum be done?

With reference to our reply to Question no 38, spectrum allocated through independent auction process should be valid for 20 years and the allottee shall

have the option for first right of refusal. However spectrum extension shall be granted at the then prevailing rates.

41. If the spectrum assignment is for a defined period, then after the expiry of the period should the same holder/licensee be given the first priority?

We believe it will be unfair, if the allottee is not given a right of first refusal.

Uniform License Fee

42. What are the advantages and disadvantages of a uniform license fee?

43. Whether there should be a uniform License Fee across all telecom licenses and service areas including services covered under registrations?

44. If introduced, what should be the rate of uniform License Fee?

Pertaining to Question nos. 42, 43 & 44 it is submitted that:

1. Today we are continuously in discussion for ensuring level playing field, one of the main objectives of Government of India, and to ensure the same we strongly believe that uniform license fee shall be implemented and mandated.
2. However, the services like IP II which are being covered under registration should not be considered for imposition of license fee since no license are awarded.
3. We are adamant that Uniform License fee of 3% (2% + 1% USO levy) of AGR shall be imposed as it is evident from published DoT reports that USO funds are over flooded and is under utilized. The benefit of the same can be passed to the customers in the form of subsidized tariff schemes, breakthroughs in technological advancements which will further help in improvement of QoS standards & customer satisfaction, which are the primary objectives / concern of the authority.

Chapter 3

Spectrum assignment

45. If the initial spectrum is de-linked from the licence, then what should be the method for subsequent assignment?

47. In case a two-tier mechanism is adopted, then what should be the alternate method and the threshold beyond which it will be implemented?

Pertaining to Question 45 & 47 it is submitted that:

1. With all due respect, the Authority is evoked of its primary objectives (i.e. to attain a competitive market and facilitate a level playing field) which it has strived to achieve since its inception, by proposing that spectrum up to 6.2 + 6.2 MHz shall be reserved / earmarked to all UAS license holders and a Uniform spectrum fee @ 3% of AGR shall be levied for 6.2 + 6.2 MHz and beyond.
2. It is recommended that a two – tier mechanism may be adopted for allocation of additional spectrum of 1.8 + 1.8 MHz in addition to initially allocated 4.4 + 4.4 MHz of spectrum on subscriber linked criterion in collusion with the order dated 17th January 2008.and spectrum beyond 6.2 +6.2 to be awarded through auction mechanism.

46. If the initial spectrum continues to be linked with licence then is there any need to change from SLC based assignment?

1. With reference to our above submissions, award of fresh licenses to be de linked from spectrum and hence there is no need to evolve SLC criterion for the same.
2. Further, for the licenses awarded under present regime, SLC should prevail for allocation of additional GSM spectrum up to 6.2 + 6.2 MHz.

48. Should the spectrum be assigned in tranches of 1 MHz for GSM technology? What are the optimum tranches for assignment?

For Licenses awarded under present regime, additional GSM spectrum in tranches of 1.8 + 1.8 MHz to be assigned up to maximum of 6.2 + 6.2 MHz. Beyond that same spectrum can be auctioned in tranches of 1 + 1 MHz for GSM technology.

49. In case a market based mechanism (i.e. auction) is decided to be adopted, would there be the issue of level playing field amongst licensees who have different amount of spectrum holding? How should this be addressed?

To ensure level playing field all licensees under present regime should be earmarked / assigned with GSM spectrum up to 6.2 + 6.2 MHz on SLC.

50. In case continuation of SLC criteria is considered appropriate then, what should be the subscriber numbers for assignment of additional spectrum?

Reference our above submissions, SLC to be levied for allocation of spectrum up to 6.2 + 6.2 MHz for the licenses awarded under present regime and for fresh licenses spectrum to be de linked from license hence the need for SLC does not arise.

51. In your opinion, what should be the method of assigning spectrum in bands other than 800, 900 and 1800 MHz for use other than commercial?

Elaborate and thorough studies should be made in this aspect to avoid any future conflicts.

Spectrum pricing

- 52. Should the service providers having spectrum above the committed threshold be charged a one time charge for the additional spectrum?**

No comments

- 53. In case it is decided to levy one time charge beyond a certain amount then what in your opinion should be the date from which the charge should be calculated and why?**

No Comments

- 54. On what basis, this upfront charge be decided? Should it be benchmarked to the auction price of 3G spectrum or some other benchmark?**

No Comments

- 55. Should the annual spectrum charges be uniform irrespective of quantum of spectrum and technology?**

1. Yes, we believe that the spectrum usage charges should be prescribed at a flat uniform rate irrespective of technology used.
2. However it is further propagated that it is well known fact that propagation is inversely proportional to bandwidth, and deployment of GSM network in 1800 MHz band involves higher CAPEX & OPEX. Therefore, every operator who has been granted GSM frequencies up to 6.2 + 6.2 MHz in 1800 MHz band should be rewarded an exemption of 1% in Spectrum usage charges, which as proposed by DoT spectrum Committee is to be levied @ 3% of AGR.

- 56. Should there be regular review of spectrum charges? If so, at what interval and what should be the methodology?**

No., we believe that while the benchmark/reserve price for the auction may be reviewed from time to time, depending upon market conditions, demand for and supply of spectrum, extent of competition, etc., the annual spectrum usage charges should be stable and predictable over the long term.

Structure for Spectrum Management

- 57. What is your opinion in the desired structure for efficient management of spectrum?**

No comments

DSPL/Reg/TRAI/0912/728

4th December 2009

Dr. J.S Sarma
Chairman,
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg (Old Minto Road)
New Delhi - 110002

Subject: Comments on Open House discussion on consultation paper no.6/2009 on 'Overall Spectrum Management and Review of License Terms & Conditions'.

At the outset we would like to take this opportunity to thank Authority for conducting a fruitful Open House discussion on consultation paper no. 6/2009 on 'Overall Spectrum Management and review of license terms and conditions'.

Further, we would like to welcome Authority's concern on spectrum management and allowing all the operators to furnish their comments if any to the authority in stipulated time frame.

For the sake of brevity we are not reiterating our views which have already been submitted with the authority. However, we would further like to submit over views on certain points and request authority for kind consideration on the same.

1. Spectrum Allocation

- Spectrum is a natural scarce resource and a vital input for wireless services therefore, allocation of spectrum to be made after ensuring the optimal utilization of spectrum.
- India witnessed a new milestone with award of new licenses for providing of GSM services in 2008. Presently there are 12 – 14 licenses in each licensed service area.
- Some of the new operators have launched there services and other are on the verge of launching their services. With introduction of new players in the market India has witnessed further drop in call rates with introduction of tariff schemes like pay per second and so on, benefiting the end customer.

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- We would also like to highlight that maximum of up to 100 MHz (in 900/1800 MHz band) of GSM spectrum can be made available for providing GSM services, which needs to be evenly distributed and harmonized across all operators who have been awarded licenses for providing GSM based services.
- We would also like to reiterate our earlier submission that at least 6.2 + 6.2 MHz of spectrum is required by licensee for providing satisfactory services to end subscribers. Further to the same we would also like to highlight that GSM based frequencies should be harmonized in a manner that issues related to coverage and capacity can be dealt in efficient manner thus reducing the overall CAPEX further leading to provision of good quality of services at cheaper rates.
- GSM spectrum efficiency enhancement technology features such as SAIC, Progressive Power control, Antenna Hopping, ICCI STIRC, Synchronization, DFCAI ISCA, AMR packing unpacking, Robust AMR signaling result in decreasing the interference and increasing the soft capacity can help in making world class GSM based systems with at least 2 x 6.2 MHz of GSM spectrum.

2. District-Wise Spectrum Allocation

We humbly submit that Authority should also consider allocation of spectrum on District-wise basis in LSA's like Rajasthan where large chunk of GSM spectrum is being used by government agencies for security purposes.

To ensure efficient utilization of spectrum in these service areas, there is a grave need to conduct a district wise spectrum audit by independent agency thus assuring that inefficiently used spectrum should be withdrawn immediately and allocated to the new operators to facilitate their roll out and thereby ensuring a competitive and a subscriber friendly market.

3. Uniform License Fee

At the outset the thought of bringing about uniformity in the license fee is much appreciated. Further, given the circumstances that exist, it would have been rather unfair wherein different competitors are striving for survival and excellence with the advent of new technologies, in the same competitive world paying different License Fee. However, this very proposal, which itself has fallen from the Authority is a positive step towards bringing about a level playing field.

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However, it is our humble suggestion to the Authority that the license fee, as per media speculation, at 8.5% is on a higher side and will be biased towards the operators, successfully operating in an already saturated environment (Metro and Category 'A' circles) and thereby aggrieving those who are operating or propose to expand in the Category 'B' and 'C' circles.

In the light of the aforesaid we recommend and urge the Authority to endeavor in reducing the proposed Uniform License Fee from 8.5% to 6%.

4. De – Linking Of Spectrum from the License and Spectrum Trading and Sharing

De – linking of spectrum from the license will mark a beginning of a new era in the Indian telecom sector. The present UASL license needs a little tweaking to render the complexities arising out of the present license redundant. It is further proposed that pursuant to de – linking of the spectrum, the plain vanilla license may be extended to perpetuity i.e. there is an inherent provision for extension.

However, for the market forces to decide the price of spectrum there should be some available spectrum in the market, which after allocating the operators their due 6.2 MHz, will not be the case. It is therefore proposed to allow trading and sharing of spectrum which shall be governed by the market mechanism.

5. Transfer Charges

The suggestions extended by a few fellow operators that the transfer charges, with respect to Spectrum Trading and Sharing (for spectrum up to 6.2 MHz), are not applicable to them since they have been awarded licenses through auction process and the same was bundled with spectrum up to 6.2 MHz, but will be applicable to the new operators who have procured the UASL through an administrative process instead of auction is frivolous and is denied.

In the light of the arguments extended hereinabove towards Spectrum Trading and Sharing it is requested and urged to the Authority that it should move ahead in a direction which is unbiased and will facilitate a level playing field by levying uniform transfer charges, with respect to Spectrum Trading and Sharing, on all the operators.

6. Level Playing Field

The construction of 'level playing field' as 'non denial of equal rights/ opportunity' advanced in the open house is fully accepted to this extent only. It is however, urged that the scope of the phrase 'equal right' cannot be limited to free ingress in the industry as further construed by our fellow operator. 'Equal Rights' also extend towards providing equal opportunities to all and facilitating the same by putting them in an equitable position from where they can provide a healthy competition thereby contributing to the welfare of the consumer. This however, will only be possible if the operators are provided with 6.2 MHz of frequency which as described by another fellow operator is the 'minimum level of oxygen required for survival.'

It is requested of the Authority to kindly peruse the views proposed hereinabove before arriving at a conclusion, keeping in view the interest of all the operators and thereby upholding and facilitating the Governments objectives and policies.

Thanking You,

Yours Sincerely,



Authorized Signatory
Datacom Solutions Limited