



VIL/AH/RCA/2024/011
June 06, 2024

Advisor (Networks, Spectrum and Licensing)
Telecom Regulatory Authority of India,
4th, 5th, 6th & 7th Floor, Tower-F,
World Trade Centre, Nauroji Nagar,
New Delhi – 110029

Kind Attn: Shri. Akhilesh Kumar Trivedi

Subject: Counter-comments on the TRAI's Consultation Paper on "Auction of Frequency Spectrum in 37-37.5 GHz, 37.5-40 GHz, and 42.5-43.5 GHz bands Identified for IMT" dated April 04, 2024

Dear Sir,

This is in reference to the TRAI's Consultation Paper on "Auction of Frequency Spectrum in 37-37.5 GHz, 37.5-40 GHz, and 42.5-43.5 GHz bands Identified for IMT" dated April 04, 2024.

In furtherance to the comments submitted by us vide our letter no. VIL/AH/RCA/2024/010 dated May 24, 2024, kindly find enclosed herewith counter-comments from Vodafone Idea Limited on the above-said consultation paper.

We hope our submission will merit your kind consideration please.

Thanking you,

Yours sincerely,

For Vodafone Idea Limited

Anjali Hans
Senior Vice President - Regulatory & Corporate Affairs

Enclosed: As stated above



**VIL Counter Comments to the TRAI Consultation Paper on
“Auction of Frequency Spectrum in 37-37.5 GHz, 37.5-40 GHz, and 42.5-43.5
GHz bands Identified for IMT”
issued on 04.04.2024**

This is with reference to the TRAI Consultation Paper on “Auction of Frequency Spectrum in 37-37.5 GHz, 37.5-40 GHz, and 42.5-43.5 GHz bands Identified for IMT” dated 04.04.2024 and the comments from various stakeholders on this paper, as uploaded on TRAI’s website.

In this regard, we hereby submit our counter comments (given below) for Authority’s kind consideration.

A. Auction of 37-37.5 GHz, 37.5-40 GHz, and 42.5-43.5 GHz bands

1. Some of the stakeholders have commented that frequency spectrum in 37-37.5 GHz, 37.5-40 GHz, and 42.5-43.5 GHz bands be put to auction at the earliest for IMT services in India. Further, it has been commented that the valuation for these bands be derived based on 26 GHz winning prices.
2. We do not agree with these bands to be put to auction immediately. We believe that if these bands are put to auction now, it would not result in realization of complete potential of proposed spectrum due to ecosystem unavailability. On the contrary, it would lead to undesirable spectrum hoarding by some players. In fact, all such available spectrum when put for auction at a proper time, with affordable reserve prices, will help competitive activity during auction and also lead to fair market price discovery. **We believe that there is presently no case for putting the spectrum in 37-37.5 GHz, 37.5-40 GHz and 42.5-43.5 GHz to auction.**
3. Above is also supported by a global example of Hong Kong, wherein the “Spectrum Release Plan for 2024-2026”¹, has specified the earliest release timing and timing for target consultation date for assignment of new spectrum for provision for mobile/wireless fixed services in 39500-43500 MHz bands as 2025/2026. It is mentioned in the plan that these timelines are subject to technology and market developments and the exact timing for public consultation and release of the new spectrum in these bands will be determined at a later time.

¹ https://www.ofca.gov.hk/filemanager/ofca/en/content_144/spectrum_plan2024_en.pdf



4. We also draw attention to the 26 GHz band, where the device ecosystem in India is still a challenge even after ~2 years of spectrum allocation and thus, this band has been put to skeletal deployments only. Thus, it would be pragmatic to await development of device ecosystem in the instant bands in more global markets.
5. **Hence, we reiterate that the instant bands should be reserved for IMT at this stage. The Authority may review the ecosystem availability after, let's say at least 2 years and then, initiate consultation process.** Further, the valuation of these bands should be carried out afresh during the future consultation process.

B. Assignment of E&V bands through Auction

1. **One of the stakeholders has commented that frequency spectrum in E band and V band should be put to auction for IMT services in India.**
2. 5G and upcoming access technologies provide wireless broadband experience to end users that entail huge data quantum consumption, as such, backhaul of such huge data requirements becomes a challenge. E band and V Band is a ray of hope to enable faster and meaningful rollout of 5G connectivity. Since there is a limited spectrum available in E band spectrum, sharing it for Access will further lead to reduction of spectrum for Backhaul purposes and consequently lead to congested backhauls which will limit the effective utilization of acquired Access spectrum.
3. If E-band and V-band are considered as access spectrum and for assignment through auction, it would also dilute its usage which is meant for backhaul purposes and may inflate its valuation manifold thus, rendering it to remain unsold and unused. It is thus important that such key bands having their utility as backhaul spectrum, should be earmarked only for backhaul purposes and not for access/mixed purposes.
4. Further, global evidence of deployments also shows that E-band is used for backhaul purposes only. Also, equipment availability globally with various OEMs is also for backhaul purpose only.
5. It may also be noted that the provisions of The Telecommunications Act 2023, wherein Schedule II provides the list for administrative allocation of spectrum, this list includes backhaul spectrum.
6. **There is also a separate ongoing consultation on “Assignment of Spectrum in E&V Bands, and Spectrum for Microwave Access (MWA) & Microwave Backbone (MWB)”, as such, this matter should be dealt under the said consultation only.**



7. **VIL thus strongly recommends that E-band and V-band which provide an evolved and reliable backhaul solution, should be designated exclusively for backhaul of Access technologies and assigned through administrative method only, as provided for in the Telecommunications Act 2023.**

C. Spectrum Swapping

1. One of the stakeholders has commented that TSPs should be allowed to swap the existing spectrum in one band with another band available with the Government.
2. In our view, introducing said spectrum swapping is like an administrative assignment of spectrum from available pool. Such swapping would directly go against the principle of fair and transparent allocation methodology of auction for the spectrum available with the Government and eventually end up bringing an indirect way to bypass auctions.
3. Any allocation outside the auction, through any other method, will adversely impact the predictability in availability of spectrum as any operator may get the spectrum by paying the differential price (if any) in the interim period between the two auctions. It is pertinent to note that the TSPs generally acquire the spectrum based on the need of such spectrum and availability with the Government and in case spectrum is allocated outside the auction to other operators through swapping of spectrum, the option available to the other operators to acquire the spectrum in the future auctions will get compromised. This method will adversely impact the predictability in availability of spectrum through the auctions.
4. Instead, it is important that spectrum surrender policy should also be made available for the spectrum purchased in auctions prior to DoT's guideline dated 15.06.2022. The DoT letter no. L-14006/01/2022-NTG dated June 15, 2022 on "Guidelines for surrender of Access spectrum by Access Service Providers" provides mechanism for TSPs to surrender their spectrum holdings. However, the eligibility for such surrender was applicable only on spectrum acquired after issuance of the guidelines – extract given below.



2.1 Eligibility period for surrender of spectrum:

- i) TSPs would be permitted to surrender the spectrum, acquired through any auction conducted henceforth, after a minimum period of 10 (ten) years from the date of acquisition of such spectrum. Spectrum so acquired when transferred from one TSP to another through trading or any other permitted means of acquisition would also be eligible for surrender after a minimum period of 10 (ten) years from the effective date of such acquisition.
- ii) Spectrum acquired prior to the date of issue of these guidelines, either through auction or any other permitted means of acquisition, would not be eligible for surrender.

5. **Therefore, we strongly recommend that spectrum swapping, whereby existing spectrum with operator in one band can be swapped with spectrum available in the other band with the Government, should not be recommended by the Authority. Instead, the surrender policies should allow surrender of all spectrum, allocated based on auction prior to 15.06.2022.**

D. Prescription of protection/keep-off distance between IMT stations and Satellite Earth Station Gateways

1. One of the stakeholders has commented that the list of present/planned locations of satellite hub stations should be made available prior to the auctions.
2. In our view, the availability of list of present/planned locations of satellite hub stations should not become precursor to the assignment of these bands for IMT services. Establishing IMT stations and Satellite Earth Station Gateways is a continuous activity as such, the protection/keep-off distance should be driven through mutual coordination and agreement between the TSPs holding the said spectrum bands and satellite players.

E. Minimum bidding quantity

1. Some stakeholders have commented that the minimum quantity for bidding in (a) 37-37.5 GHz, (b) 37.5-40 GHz, and (c) 42.5-43.5 GHz frequency ranges should be 400 MHz for new entrant and 100 MHz for TSPs having existing holding in any of the mmWave bands.



2. In this regard, we would like to submit that DoT, in its recent “Notice Inviting Applications For Auction of Spectrum in 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz, 3300 MHz, and 26 GHz Bands” dated March 08, 2024 and previous NIA dated June 15, 2022 had specified 1 block of 50 MHz as the minimum quantity for bidding in 26 GHz band i.e. mmWave band.
3. In 2022 auctions, spectrum was acquired by TSPs in 26 GHz basis condition of minimum quantity being 50 MHz only. Considering the relevance of spectrum and respective business plans, TSPs had acquired spectrum in 26 GHz band in varied quantities across different LSAs. In many LSAs the spectrum acquired was less than 400 MHz. This shows that even in mmWave bands, the minimum quantity required will vary as such, adequate flexibility should be provided so that TSPs can purchase spectrum as per respective business plans.
4. **Therefore, the minimum quantity should be kept at 100 MHz, for an access service provider having IMT spectrum holdings in any access spectrum band.**

F. Spectrum Cap

1. Some of the stakeholders have commented that either there should be no spectrum cap else, the cap should be set at 50%.
2. The objective of prescribing spectrum cap is to prevent large holdings of spectrum by one or a few service providers, which otherwise may create concerns for the competition in the market – this has been captured in the consultation paper as well. Hence, there is no case of dropping the provision of spectrum cap.
3. Further, we would like to reiterate that a cap of 40% leads to reduction in equitable availability of spectrum for even 3 TSPs over a period of time. While larger players may exercise their right of purchasing the spectrum till the spectrum cap limit in the first auction itself, which will not leave adequate spectrum for other TSPs who may want to purchase spectrum till the spectrum cap limit, over a period of few auctions. Availability of lesser spectrum will certainly impact the competitive structure of the market in longer term.
4. Further, reservation of spectrum for the PSU TSP also reduces the overall availability of spectrum being put to auction and further skews the competitive availability of spectrum in favour of larger TSPs.



5. It is important to maintain a balance between revenue realization by the Government through more spectrum purchase by larger players with increase in the spectrum cap v/s maintaining a balanced spectrum cap providing equitable availability of spectrum for all TSPs and thus, leading to effective competitive structure in the market.

6. **Hence, keeping above in view, we strongly recommend that as and when spectrum is put up for auction, a combined spectrum cap of 35% for 37-37.5 GHz, 37.5-40 GHz, and 42.5-43.5 GHz bands is most appropriate as it balances both the objectives of providing competitive bidding activity as well as equitable availability of spectrum for all TSPs in present market structure.**

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