

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA
UNSTARRED QUESTION NO. 1508
TO BE ANSWERED ON 27TH NOVEMBER, 2019**

SPECTRUM AUCTION

1508. SHRI KOTHA PRABHAKAR REDDY:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Telecom Regulatory Authority of India (TRAI) has recommended auction of 700 MHz spectrum for the first time in the country at a pan-India reserve price of about Rs.11,500 crore per MHz and this is considered to be the most suitable for offering high speed broadband services and if so, the details thereof;
- (b) whether the telecom operators have asked for the spectrum sale to be held back till the device ecosystem is put in place and if so, the details and the present status thereof along with the reaction of the Government thereto;
- (c) whether the 700 MHz band, which has been priced four times than that of 1800 MHz band, is considered important for the telecom industry which is looking to capitalise on the growing demand of data services and if so, the details thereof;
- (d) whether scarcity of spectrum has been cited by telecom operators as one of the main reasons for call drops and poor data speeds and whether the auctions will put further pressure on the debt-laden telecom industry and if so, the details thereof and the reaction of the Government thereto;
- (e) whether the ability of telecom operators to pay for spectrum will be constrained as realized rate for voice and data are declining for last few quarters and the balance sheets are already overstretched and there is not adequate appetite for equity in the market and if so, the details thereof and the reaction of the Government thereto; and
- (f) whether the TRAI has mooted removing band-wise spectrum limit in its draft paper or sticks to the existing rules, if so, the details thereof?

ANSWER

**MINISTER OF COMMUNICATIONS, LAW & JUSTICE AND
ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)**

- (a) A total of 1540 MHz of spectrum in 700 MHz band was put to auction for the first time during October 2016 at a reserve price of Rs.11,500 crore per MHz. However, there were no bidders for this spectrum. The same quantum of spectrum in 700 MHz band has again been recommended by Telecom Regulatory Authority of India(TRAI) for next auction to be held in 2020. The reserve price recommended by TRAI is at **Annexure**.

(b) Telecom operators have not asked the Government to hold back auctions. However, during the TRAI open house consultations, while most stakeholders were of the view that, whenever auctions are held, entire available spectrum should be put to auction. A few stakeholders submitted that the ecosystem in 700 MHz and 3400-3600 MHz has still not developed. So even if auction is to take place, these bands should not be auctioned before 2020. One of these stakeholders had added that there was no need to auction 3300 to 3600 MHz when 700 MHz band is still unutilized.

(c) In the TRAI recommendations, the price of the spectrum in 700 MHz is generally higher than 1800 MHz but it is not as high as four times and it varies from LSA to LSA (Licensed Service Area). The TRAI recommended price of 700 MHz and 1800 MHz band dated 01.08.2018 is enclosed at **Annexure**.

The 700 MHz band spectrum is suitable for coverage requirements. It may not be best suited spectrum for Data services.

(d) No such representation citing the shortage of spectrum (and leading to call drop/poor data speed) has been received by the Government.

The auction rules allow the existing as well as new operators to participate in the auctions. The operators may decide to abstain or participate in the auction as per their business plan and ability.

(e) Yes, Sir. However, few Telecom Service Providers (TSPs) have recently decided to increase the tariffs for voice and data. The Government also has recently decided to give relief to financially stressed TSPs by permitting deferment of spectrum auction payment installments for next two years (2020-21 and 2021-22).

(f) As on date, there is no band-wise spectrum cap. In the present recommendations of TRAI dated 01.08.2018, TRAI has recommended that in 3300-3600 MHz band, there should be a spectrum holding cap of 100 MHz per licensee.

The Authority has recommended that the revised provisions of spectrum cap (i.e. 35% Overall cap and a Cap of 50% on the combined spectrum holding in the sub-1 GHz bands) should be extended to 3300-3600 MHz band also. Additionally, in 3300-3600 MHz band, there should be a spectrum holding cap of 100 MHz per licensee.

RECOMMENDED RESERVE PRICE PER MHz (PAIRED) IN 700 MHz AND 1800 MHz BAND

(Rs. in crores)

(1)	(2)	(3)
LSA	Recommended Reserve Price (Rounded off) for 700 MHz	Recommended Reserve Price (Rounded off) for 1800 MHz
Delhi	915	457
Mumbai	1122	561
Kolkata	347	173
Andhra Pradesh	557	279
Gujarat	546	273
Karnataka	219	109
Maharashtra	729	365
Tamil Nadu	199	100
Haryana	113	57
Kerala	190	95
Madhya Pradesh	190	95
Punjab	177	88
Rajasthan	211	105
U.P. (East)	305	153
U.P. (West)	230	115
West Bengal	105	53
Assam	92	46
Bihar	175	88
Himachal Pradesh	37	18
Jammu & Kashmir	30	15
North East	25	13
Orissa	54	27
