

Information note to the Press (Press Release No. 11/2014)

For Immediate release

Telecom Regulatory Authority of India

TRAI Releases Recommendations on “Reserve Price for Auction of Spectrum in the 800 MHz Band”

New Delhi, 22nd February, 2014- The Telecom Regulatory Authority of India (TRAI) has today issued its recommendations on the **“Reserve Price for Auction of Spectrum in the 800 MHz Band”**.

The Department of Telecommunications (DoT) through its letter dated 12th December 2013 had sought TRAI’s recommendations on reserve price for 800 MHz band in all the service areas. In this context, TRAI had issued a Consultation Paper (CP) on 30th December 2013 on “Valuation and Reserve Price of Spectrum” raising specific issues for consideration of stakeholders. The key issues raised in the CP were quantum of spectrum to be auctioned, spectrum block-size and methods to be used for valuation and estimation of reserve price of spectrum. Written comments and counter comments were invited from the stakeholders by 15th January 2014 and 22nd January 2014 respectively. The comments and counter comments received from the stakeholders were placed on TRAI’s website www.trai.gov.in. An Open House Discussion was conducted by TRAI with all the stakeholders on 27th January, 2014 at New Delhi.

After considering the comments received from the stakeholders and further analysis, the Authority has come out with its recommendations **“Reserve Price for Auction of Spectrum in the 800 MHz Band”**. The Salient features of the recommendations are given below:

- The entire available spectrum with the DoT in the 800 MHz band should be put to auction.
- At least one chunk of contiguous 5 MHz spectrum (i.e. 4 carriers) should be carved out before the auction. The carrier reassignment, if required, may be carried out amongst the existing TSPs in the 800 MHz band to make at least 4 contiguous carriers available. Alternatively, the NIA for the auction may clearly stipulate that only contiguous blocks of 5 MHz will be sold. However, the

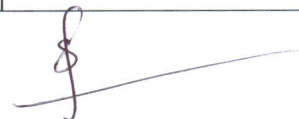
reconfiguration of the frequencies should be worked out while auction is underway so that the reassignment is possible to be effected on completion of the auction.

- Spectrum in the 800 MHz band should be auctioned in a block size of 1.25 MHz.
- A new entrant i.e. a TSP which does not have any spectrum holding in the 800 MHz band must bid for a minimum of 4 carriers. However, an existing TSP i.e. a TSP having some spectrum holding in the 800 MHz band should be permitted to bid for a minimum 1 block of spectrum. New entrants must be assigned the earmarked contiguous carriers only.
- The Authority recommends that the reserve price for the forthcoming auction of 800 MHz spectrum should be fixed at 80% of the average valuation.
- The recommended reserve prices for the forthcoming auction are tabulated below:

TABLE
RESERVE PRICE PER MHz IN 800 MHz BAND

(Rs.in crore)


LSA	Category	Reserve Price per MHz (as calculated)	Recommended Reserve Price per MHz (rounded off)
Delhi	Metro	450.22	450
Mumbai	Metro	352.13	352
Kolkata	Metro	101.49	101
Andhra Pradesh	A	192.28	192
Gujarat	A	211.65	212
Karnataka	A	198.68	199
Maharashtra	A	282.05	282
Tamilnadu	A	246.85	247
Haryana	B	30.37	30
Kerala	B	69.41	69



Madhya Pradesh	B	64.37	64
Punjab	B	62.86	63
Rajasthan	B	58.85	59
U. P. (East)	B	83.92	84
U.P. (West)	B	93.17	93
West Bengal	B	46.45	46
Assam	C	26.79	27
Bihar	C	61.12	61
Himachal Pradesh	C	13.20	13
Jammu & Kashmir	C	8.46	8
North East	C	7.55	8
Orissa	C	24.94	25
Pan India		2686.79	2685

The recommendations have been placed on TRAI's website www.traigov.in

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