

February 15, 2012

Shri Sudhir Gupta,
Pr. Advisor (MS),
TRAI,
New Delhi

Sub: Pre-Consultation Comments on “Allocation of spectrum in 2G band in 22 Service Areas by auction”.

Dear Sir,

At the outset, Viom Networks Ltd. appreciates the expeditious decision of TRAI to come out with a pre-consultation paper on “Allocation of spectrum in 2G band in 22 Service Areas by auction”.

In this context, we wish to submit our succinct response as under:

Who should be allowed to bid?

All players who applied in 2008 should be permitted to bid. This is important since more players mean greater competition. There is no suggestion that sector has too few players. Spectrum supplies for old and new players are common & old players already possess the same. In the longer term, all players should compete for the same customers and the same resources.

Reserve Price

Reserve price should be at prevailing 2G licence price-Rs. 1658 Crores for nationwide licence. This has the following advantages:

- Too high a price could simply attract too few bidders
- A low reserve price will attract more bidders and will help to arrive at a fairer price of spectrum

- A high reserve price might deter even serious players leaving the field open to speculators
- A low reserve price is a lesser risk if the resource is in sufficient demand as is the case with spectrum. This theory was soundly tested in 3G auctions where unequal reserve prices for 3G and BWA meant nothing in the end

Process

The ascending auction may be most appropriate. It was successfully used for 3G and caused virtually no controversy. The Supreme Court too has referred to 3G auctions in its judgment. In view of this, using the 3G design again may be easiest.

We request the Authority to kindly consider our inputs while preparing the consultation paper on the subject.

Thanking you,

Very truly yours
for **Viom Networks Ltd.**

Naresh Ajwani
Chief Regulatory and Corporate Affairs