



To,
The Advisor (NSL),
Telecom Regulatory Authority of India,
Mahanager Doorsanchar Bhawan,
Jawahar Lal Nehru Marg,
(Old Minto Road), New Delhi-02

(Kind attention: Sh. Arvind Kumar)

No: Regln/1-25/2013/2168

Dated: 19th Dec, 2014

Sir,

Sub:- Comments on Consultation Paper on "Valuation and Reserve Price of Spectrum: 2100 MHz Band".

Kindly refer to your office press release dated 2nd Dec, 2014 regarding Consultation Paper on "Valuation and Reserve Price of Spectrum: 2100 MHz Band". In this context, kindly find herewith the BSNL comments on the above mentioned Consultation Paper:

Q1. In the auction for 2100 MHz spectrum held in 2010, certain roll-out obligations were mandated for the successful bidders. Stakeholders are requested to suggest if any changes are required or whether the same roll-out obligations should be mandated in the forthcoming auction, along with justification.

BSNL Reply: The same rollout obligations that were earlier mandated by TRAI should continue.

Q2. Whether a bidder should be allowed to bid for more than one block of spectrum, in case a sufficient quantum of spectrum (more than one block in LSA) is put to auction?

BSNL Reply: No comments.

Q3. Whether the spectrum caps (of 50% of total spectrum in a band/ 25% of total spectrum assigned across bands) prescribed in recently held auctions in the 800/900/1800 MHz bands should also be prescribed for the upcoming auctions in the 2100 MHz band?

BSNL Reply: Yes, the same spectrum caps should be specified for 2100 MHz band also.

Q4. In case only one block of 5 MHz of spectrum in 2100 MHz is available in an LSA, should only those TSPs be allowed to participate who do not have 2100 MHz spectrum in that LSA at present?

BSNL Reply: No comments.

Q5. Should the indexed value of May 2010 auction determined prices of 2100 MHz spectrum be used as one possible valuation for 2100 MHz spectrum in the forthcoming auction? If not, why not? And, if yes, what rate should be adopted for the indexation?

BSNL Reply: The determined value of spectrum should be such that a balance is struck between ensuring a reasonable price that is financially viable to the Telecom Service Providers & maximizing the revenue to the Government.

Q6. Should the value of the 2100 MHz spectrum be derived on the basis of the value of the 1800 MHz spectrum using the technical efficiency factor (0.83) as discussed above?

BSNL Reply: The valuation of the 2100MHz be derived on the basis of the value of 1800MHz spectrum using the technical efficiency factor Of 0.83, as it will bring fair valuation of 2100MHz band.

Q7. Should the value of spectrum in the 2100 MHz band be estimated on the basis of the producer surplus model outlined above? Please provide your views on the assumptions made. Please support your response with justification, calculations and relevant data along with the results.

BSNL Reply: No comments.

Q8. Should the value of spectrum in the 2100 MHz band be estimated on the basis of the growth in data usage outlined above? Please provide your views on the assumptions made. Please support your response with justification, calculations and relevant data along with the results.

BSNL Reply: No comments.

Q9. Would it be appropriate to value the 2100 MHz spectrum as the simple mean of the values arrived from different valuation approaches as discussed above? If no, please suggest with justification which single approach should be adopted to value the 2100 MHz spectrum?

BSNL Reply: A consistent approach may be adopted by TRAI for determining the valuation of 2100MHz as has been used for valuing the spectrum in other bands i.e. 800MHz, 900MHz, 1800MHz band.

Q10. What should be the ratio adopted between the reserve price for the auction and the valuation of the spectrum of 2100 MHz band?

BSNL Reply: It is suggested that reserve price for 2100MHz spectrum may be fixed at 80% of the average valuation of the spectrum band, as recommended by the authority.

Yours sincerely


Sukhdev Singh
DGM (RegIn-II)