

Response to
Telecom Regulatory Authority of India's
Consultation Paper dated 2nd MAY, 2008 on
"Allocation and Pricing for 2.3-2.4 GHz, 2.5-2.69 GHz & 3.3-3.6 GHz bands"

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1. *What should be the revised reserve price for the spectrum in 3.3-3.6 GHz band? The various options available are as below:*

- *The reserve price of this spectrum remains as recommended earlier.*
- *The reserve price for the spectrum is made equal to 50% of the reserve price recommended for the 3G spectrum.*
- *The reserve price is made equal to the price recommended for the 3G spectrum*

The reserve price for any auction should be a small, but significant amount that will deter frivolous bidders. This amount, say Rs. 1 crore, should be same for spectrum auctions for BWA and 3G. Markets will ensure the discovery of the competitive price.

2. *What should be the eligibility conditions for bidding for spectrum in the bands of 2.3-2.4 GHz and 2.5-2.69 GHz?*

In view of the recent ITU decision to club both BWA and 3G technologies under IMT, as well as TRAI's advocacy of technology neutrality, rules for both technologies should be harmonized to the extent possible based on world best practices. All those eligible for UASL licensees must be allowed to bid for spectrum in the 3.3-3.6 band.

3. *In the 2.3-2.4 GHz band, the maximum amount of spectrum which a licensee can bid for?*

The rules must identify a minimum number of players to prevent monopolies. The companies should be allowed bid separately for as many spectrum slots they wish.

4. *In the 2.3-2.4 GHz band, the size of the spectrum blocks for the bidding?*

The slots should be small enough to ensure maximum number of bidders and large enough for bidders to reasonably expect to deploy any commercially available technology conforming to ITU standards.

5. *In view of limited availability of spectrum in this band and possible conflict between the technologies using FDD and TDD modes, how the spectrum in 2.6 GHz band be allocated?*

Strict technology neutrality must be observed. Markets should determine whether FDD or TDD users get the spectrum.

6. *In case the present available spectrum is allocated for BWA technologies using unpaired spectrum, then, will it be feasible in future, from technical and economic angle, to refarm the allocated spectrum in the 2.6 GHz band in line with the global practices?*

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comment**

7. *Unlike a number of other countries, a major portion of spectrum in the 2.6 GHz band is yet to be got vacated by WPC. What measures can be taken to accelerate the process of vacation so that the Indian telecom sector is not at a disadvantage in relation to other countries?*

A commercial price – determined by competitive auctions for unused spectrum- will help existing users to determine whether their use is delivering the value that the spectrum could potentially fetch in the market.

Spectrum trading must be permitted amongst eligible and security cleared buyers and sellers. This will then enable existing users to take rational decisions.

8. *What should be their reserve price for the purpose of auction for the spectrum in 2.3-2.4 GHz and 2.5-2.69 GHz?*

As stated above, this amount should be lowest possible to deter frivolous bidders.

9. *Is there a need for putting a maximum limit on the cumulative holding of spectrum acquired in these bands by a licensee and what should be that limit?*

Such a limit would be unnecessary, if TRAI's recommends a minimum number of players in the market and allows –indeed encourages- companies to buy and resell spectrum in the market.