

**TELECOM USERS ASSOCIATION OF INDIA**

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No: 115/ TEL/12

Date: 14<sup>th</sup> February, 2012

To

**Shri Sudhir Gupta**

Pr. Advisor (MS)

Telecom Regulatory Authority of India.

New Delhi

**SUB: COMMENTS/SUGGESTIONS ON 'ALLOCATION OF SPECTRUM IN 2G BAND  
IN 22 SERVICE AREAS BY AUCTION'**

Dear Sir,

This is in response to the Pre-Consultation paper floated by TRAI on 'Allocation of spectrum in 2G band in 22 service areas by auction' on February 3, 2012 inviting the comments/suggestions of all stakeholders, pursuant to the directive of the Hon'ble Supreme Court in its Judgment dated February 2, 2012.

Our comments/suggestions on the said subject are attached in the Annexure for the kind consideration of the Authority.

Thanking you.

With regards

Yours sincerely,



**Dr. Girija B Nanda**

Chief Functionary cum General Secretary

Encl: Comments / Suggestions (Total Pages-6)

**THE BUZZWORD**

**TELECOM USERS ASSOCIATION OF INDIA**

Comments/Suggestions on "Allocation of Spectrum in 2G band in 22 Service Areas by Auction"

TRAI has brought out a Pre-Consultation on "Allocation of Spectrum in 2G band in 22 Service Areas by Auction" pursuant to the directive of the Supreme Court in its Judgment dated 02.02.2012 that, "Keeping in view the decision taken by the Central Government in 2011, TRAI shall make fresh recommendations for grant of licence and allocation of spectrum in 2G band in 22 Service Areas by auction, as was done for allocation of spectrum in 3G band." The Hon'ble Court has also asked the Central Government to consider these recommendations and take appropriate decision within next one month and grant fresh licenses by auction. This, in our view, is an excellent opportunity for TRAI as well as the Central Government to resolve the issue of spectrum allocation in 2G band together with the long pending associated issues. TRAI has already displayed its proactive approach on the matter by floating the above-mentioned Pre-Consultation and the Consultation Paper on Draft Guidelines for Unified Licence/Class Licence and Migration of Existing Licenses. We expect the Central Government to utilize this opportunity to clean up its long pending matters which involve huge financial implications on the Exchequer, like levy of one-time fees on excess spectrum, release of spectrum over prescribed limits, re-farming of precious spectrum in 800/900MHz band, etc which are also a part and parcel of the spectrum allocation issue. These matters need urgent attention as this would clear up the complexities/disparities in the allotment process, earn huge revenue for the Government and establish a level playing field for all the operators.

The approximate loss to the Exchequer due to the pendency on levy of one-time fees is of about Rs. 18,000 crore as per the prices recommended by TRAI and still the Government has not reacted on it for almost four years now. Apart from this, the issue of spectrum re-farming of valuable spectrum in 900MHz Band has also been deferred till the renewal of the licenses on the excuse that there is no sufficient spectrum available in 1800MHz band. The persisting delay is benefitting the incumbents who are not only able to hoard the scarce and efficient resource but also managing to pay miniscule prices in return. Therefore, it will be prudent for TRAI to bring in the issues of excess spectrum and spectrum re-farming together with issue of the spectrum allocation in 2G band as this would help building a definite path for the allocation process and bring out clarity on this vital issue for all the stakeholders.

**ISSUE OF LEVY OF ONE-TIME FEE ON EXCESS SPECTRUM HELD**

It is almost four years since DOT decided that excess spectrum with telecom operators would be subjected to a One-Time Fee. The one-time fee on existing operators, which is worth about Rs 18,000 crore (based on TRAI recommended values), is yet to be recovered, and there is a fear that the interested operators might power lobby on the matter and would be able to delay



