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Government of India
Ministry of Communications and IT
Department of Telecommunications
Sanchar Bhawan, 20, Ashoka Road, New Delhi

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Guidelines for Auction and Allotment of Spectrum in 1800MHz, 900MHz and 800MHz bands

The Government of India hereby announces the following guidelines for Auction and Allotment of Spectrum in 1800MHz, 900MHz and 800MHz bands:

1. Frequency Bands

Spectrum in 1800MHz, 900MHz and 800MHz bands shall be allocated for telecom services through auction.

2. Eligibility for bidding for Spectrum in 1800MHz, 900MHz and 800MHz bands

Eligibility criteria shall be as below:

- (i) Any licensee that
 - (a) Holds a CMTS/UAS/UL(AS) license; or
 - (b) Fulfils the eligibility for obtaining a UL(AS)/Unified License.
- (ii) Any entity that gives an undertaking to obtain a Unified Licence (Access Services)/Unified Licence through a New Entrant Nominee as per the DoT guidelines/licence conditions before starting telecom operations.

3. Objectives of Auction

The objectives of the auction are:

- Obtain a market determined price of Spectrum through a transparent process;
- Ensure efficient use of Spectrum and avoid hoarding;
- Stimulate competition in the sector;
- Promote roll out of telecom services;
- Maximise revenue proceeds from the Auction within the set parameters.

4. Details of Spectrum to be Auctioned

Auction in 1800MHz band

- Block size shall be 1.25MHz (paired).
- Auction will be conducted for the Service Areas of Delhi, Mumbai, Karnataka and Rajasthan.
- The spectrum put to auction, number of blocks and reserve price per block is given in the table below:

Service Area	Spectrum put to Auction	Number of Blocks (1.25MHz paired)	Reserve Price per Block (In Rs in Crores)
Delhi	15MHz	12	485.15
Mumbai	15MHz	12	474.92
Karnataka*	10MHz	8	231.08
Rajasthan**	10MHz	8	46.96

* *In the Service Areas of Karnataka and Rajasthan, in addition to the 8 blocks (10MHz), there will be a provision for spectrum up to three blocks each of 1.25MHz (total 3.75 MHz) for topping up the eight blocks of spectrum put to auction i.e. a total of 11 blocks each of 1.25MHz, totalling to 13.75MHz, to meet the requirements of new entrants if such an exigency arises.*

** *In the Service Area of Rajasthan, spectrum is not available in 11 districts namely Bikaner, Barmer, Bharatpur, Dausa, Ganganagar, Hanumangarh, Jodhpur, Jaipur, Jaisalmer, Jalore & Sirohi. While bids will be sought for spectrum in entire LSA, the bid amount will be collected only for the spectrum available and the balance collected as and when spectrum is made available in each District, the amount being pro-rated to the population of that district(s) (as of census of 2011) and the balance period (of the 20 years).*

Bid amount as mentioned above will be collected subject to the condition that the amount to be collected in future at the time of providing balance spectrum would be the balance prorated bid amount indexed on the SBI PLR prevalent for the period between finalisation of bid price and actual allocation made.

In all partial allotment cases where the successful bidders are more than one, the post auction allocation of balance spectrum will be made to all the successful bidders, district wise simultaneously.

Auction in 900MHz band

- Block size shall be 1.25MHz (paired).
- Auction will be conducted for the Service Areas of Delhi, Mumbai and Kolkata.
- The spectrum put to auction, number of blocks and reserve price per block is given in the table below:

Service Area	Spectrum put to Auction	Number of Blocks (1.25MHz paired)	Reserve Price per Block (In Rs in Crores)
Delhi	15MHz	12	970.30
Mumbai	15MHz	12	949.84
Kolkata	12.5MHz	10	227.44

Auction in 800MHz band

- Block size shall be 1.25MHz (paired).
- Auction will be conducted for 21 Service Areas. There will be no auction of spectrum in the Service Area of Rajasthan.
- The spectrum put to auction, number of blocks and reserve price per block is given in the table below:

Service Area	Spectrum put to Auction	Number of Blocks (1.25MHz paired)	Reserve Price per Block (In Rs in Crores)
Andhra Pradesh**	2.50MHz	2	186.50
Assam	3.75MHz	3	5.64
Bihar	3.75MHz	3	27.63
Delhi*	3.75MHz	3	450.49
Gujarat	3.75MHz	3	146.15
Haryana	3.75MHz	3	30.24
Himachal Pradesh	3.75MHz	3	5.06
Jammu & Kashmir	3.75MHz	3	4.11

Karnataka	3.75MHz	3	214.58
Kerala	3.75MHz	3	42.45
Kolkata*	3.75MHz	3	73.92
Madhya Pradesh	3.75MHz	3	35.09
Maharashtra*	3.75MHz	3	170.83
Mumbai*	3.75MHz	3	441.00
North East	3.75MHz	3	5.75
Orissa	3.75MHz	3	13.18
Punjab**	2.50MHz	2	43.74
Rajasthan	3.75MHz	3	43.60
Tamil Nadu	3.75MHz	3	198.96
Uttar Pradesh (East)	3.75MHz	3	49.51
Uttar Pradesh (West)	3.75MHz	3	69.82
West Bengal	3.75MHz	3	16.80

In the 800MHz band, in addition to the 3 blocks (3.75MHz), there will be a provision for spectrum up to one additional block of 1.25MHz for topping up the three blocks of spectrum put to auction i.e. a total of 4 blocks each of 1.25MHz, totalling to 5MHz, to meet the requirements of new entrants if such an exigency arises.

* *Top-up block is not available in the Service Areas of Delhi, Kolkata, Maharashtra and Mumbai.*

** *In the Service Areas of Andhra Pradesh and Punjab, Only 2 blocks (2.50MHz) will be put up for auction and no top-up blocks are available.*

5. Spectrum Cap

(a) Overall Cap

- The Overall Spectrum Cap in each Service Area is 25% of spectrum allotted and put for auction in all the bands.

(b) Band-wise Cap

- The Spectrum Cap for each Operator in 1800MHz band is 50% of spectrum allotted and put for auction in 1800MHz band.
- The Spectrum Cap for each Operator in 900MHz band is 50% of spectrum allotted and put for auction in 900MHz band.

6. Validity period of auctioned Spectrum

The validity period of the Spectrum won in this auction shall be 20 years.

7. Mergers and Acquisitions

Mergers and Acquisitions shall be as per guidelines on the subject issued by Department of Telecommunications from time to time. This policy is applicable for intra-service area merger of licenses.

8. Auction Process

A simultaneous multiple round ascending e-auction shall be conducted, as per details to be notified separately. The broad stipulation shall be as follows:

- (a) The bidding shall be Service Area wise simultaneously for 1800MHz and 900MHz band.
- (b) Auction of Spectrum in 800MHz band will be conducted separately for 21 Service Areas.
- (c) The Reserve Price for auction shall be set for each Service Area for each band.
- (d) The Government of India reserves the right to disqualify any bidder for violation of auction rules.

9. Backhaul Spectrum

Allotment of spectrum for individual point-to-point fixed links i.e. Microwave Backhaul Spectrum would be subject to separate application and the allotment of the same is not linked to the compliance of roll out obligations. The allotment of backhaul spectrum is subject to the usual processes, terms and conditions, and applicable charges. The Government shall make available spectrum for these purposes under the terms and conditions specified by the WPC Wing, subject to availability. Separate charges as prescribed from time to time, are payable for backhaul spectrum.

10. Technology

There are no restrictions on the technology to be adopted for providing services within the scope of the service license using spectrum blocks allotted through

this auction. The successful bidder shall provide details of the technology proposed to be deployed for operation of its services using spectrum blocks allotted through this auction within one month of obtaining the licence, if the technology happens to be other than GSM/ CDMA/ WCDMA. In case of change of technology, while rolling out the networks for compliance of roll out obligations, information regarding the new technology should be given at least one year before any new technology Base Station site is offered for testing. The technology should be based on standards approved by ITU/TEC or any other International Standards Organization/ bodies/ Industry.

Existing Licensees will be allowed to use the additional spectrum block(s) allotted through this auction to deploy any technology by combining with their existing spectrum holding in the same band after converting their entire existing spectrum holding into liberalised spectrum in the same band as per the terms and conditions to be specified.

Existing CMTS/ UAS licensees can liberalise their existing spectrum holding in 1800MHz band after payment of auction determined price.

In case of a change of technology, by the licensee following must be ensured:

- (i) Continuity of coverage, provisioning, delivery, quality of services in the network deployed with earlier technology.
- (ii) Licensee will be required to submit the test reports as per test schedule/ procedure to the licensor who may also carry out sample verification.
- (iii) For use of technology other than GSM, CDMA, WCDMA, LTE and WiMAX, prior clearance will be required. Introduction of any new technology should not cause harmful interference to the already operating technologies either in the same band or in the adjacent bands.

11. Roll Out Obligations

Roll-out Obligations will be as indicated in the Notice Inviting Applications.

12. Spectrum Usage Charges

A spectrum usage charge in addition to the spectrum auction price as a percentage of the Adjusted Gross Revenue (AGR) shall be payable by the successful bidder as per the rates notified by the Government from time to time. Spectrum usage charges shall be payable as per the slabs/ rates notified by the Government from time to time.

The present spectrum usage charges are mentioned below:

Schedule A: Charges for GSM operators (Applicable for 1800MHz and 900MHz bands)	
Spectrum Slab	% of AGR
Up to 4.4 MHz	3%
Up to 6.2 MHz	4%
Up to 8.2 MHz	5%
Up to 10.2 MHz	6%
Up to 12.2 MHz	7%
Up to 15.2 MHz	8%

Schedule B: Charges for CDMA operators (Applicable for 800MHz band)	
Spectrum Slab	% of AGR
Up to 5 MHz	3%
Up to 6.25 MHz	4%
Up to 7.5 MHz	5%
Up to 10 MHz	6%
Up to 12.5 MHz	7%
Up to 15 MHz	8%

The following shall be considered while computing the annual spectrum charges:

- Applicable (Adjusted Gross Revenue) AGR shall be computed in accordance with the provisions of the relevant service licence;
- Annual spectrum charges shall be applicable from the date of award of right to use allotted spectrum.
- For the purpose of calculation of spectrum usage charge, there shall be a minimum AGR which shall be not less than 5% of the bid amount. The calculation of spectrum usage charges shall be on the basis of minimum AGR or the actual AGR whichever is higher.
- Spectrum being allocated via this auction will be added for determining the slab for Spectrum Usage Charges.

13. Spectrum Sharing

Operators whose entire spectrum holding in a particular band is/ has been liberalized would be permitted to share spectrum without any additional one time spectrum charge.

Detailed guidelines regarding sharing of spectrum and one time charges for liberalising spectrum currently held would be issued in due course.

14. Spectrum Audit

For the efficient management of available spectrum, TRAI/ DoT may undertake regular spectrum audit.

15. Other Issues

- The Government of India reserves the right to amend or modify these terms and conditions before the commencement of the auction process. The final conditions shall be as indicated in the bidding document.
- The Government of India reserves the right to cancel the bidding process or disqualify any bidder without assigning any reason.