

No. L-14010/01/2021-NTG
Government of India
Ministry of Communications
Department of Telecommunications
WPC Wing, 6th floor, Sanchar Bhawan, New Delhi

Dated the 21st June, 2022

ORDER

Subject: Spectrum Usage Charges (SUC) for spectrum in 600 MHz, 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz, 3300 MHz and 26 GHz bands held by the Telecom Service Providers (TSPs)


In exercise of the powers conferred under section 4 of the Indian Telegraph Act, 1885 (Act No. 13 of 1885) and in supersession of earlier Order No. P-14010/05/2016 dated 12th August 2016 and L-14010/01/2021-NTG dated 26th February 2021, the Central Government hereby prescribes the following rates of "Spectrum Usage Charges" for spectrum held by the Telecom Service Providers having License/Authorization to provide "Access Services" in different Access spectrum bands:

- (i) For spectrum acquired through auctions held after 15.09.2021 in different Access spectrum bands, no SUC shall be charged.
- (ii) The weighted average of SUC rates across all spectrum assigned to an operator (whether assigned administratively or through auction or through trading) in all Access Spectrum Bands including Broadband Wireless Access spectrum in 2300 MHz/2500 MHz band acquired in 2010 auction shall be applied for charging SUC. The weighted average is to be derived by sum of product of spectrum holdings and applicable SUC rate divided by total spectrum holding. The Weighted Average Rate should be determined operator-wise for each service area. The method of calculation of Weighted Average is at Annexure-I.
- (iii) For the purpose of calculation of spectrum usage charges, there shall be a minimum/presumptive 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/presumptive AGR or the actual AGR whichever is higher.
- (iv) The weighted average rate shall be kept to two decimal points by rounding off the second decimal figure to the next higher digit. The rounding off shall be made to next higher digit at two decimal points even if the third decimal point is less than 5.
- (v) The details of slab rates of SUC as applicable for various spectrum holdings and rates of SUC as applicable for spectrum acquired through auction conducted in various bands in 2010, 2012, 2013, 2014, 2015, 2016 and 2021 are enclosed as Annexure-II.

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2. This order shall come into force with immediate effect.
3. The above rates of SUC are subject to review by the Government from time to time.
4. This issues with the concurrence of DoT Finance vide Dy/FTS 935/M(F)/22 dated 17.06.2022.


21/06/2022

(Avneesh Kumar)
Assistant Wireless Adviser to the Government of India

Copy to:

1. Secretary, TRAI.
2. Chief Vigilance Officer, DoT.
3. DG P&T, Audit/ CGCA.
4. DDG (WPF), DoT.
5. DDG (AS), DoT.
6. Director (Wireless Monitoring), WMO, DoT.
7. Director (Internal Audit), DoT.
8. All Access Service Providers.
9. Director (IT), DoT, for uploading on the DoT website.

(अवनीश कुमार)
(AVNEESH KUMAR)
सहायक बेतार सलाहकार
Assistant Wireless Adviser
दूरसंचार विभाग, भारत सरकार
Deptt. of Telecom, Govt. of India
नई दिल्ली/New Delhi

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Annexure-I

Method of Calculation of Weighted Average Rate for SUC for each LSA

(a)	Administratively allotted spectrum in 800 MHz band	A MHz
(b)	Rate of SUC for (a) above (This shall be as prescribed by DOT order dated 25.2.2010)	B%
(c)	Administratively allotted spectrum in 900/1800 MHz band	C MHz
(d)	Rate of SUC for (c) above (This shall be as prescribed by DOT order dated 25.2.2010)	D%
(e)	Spectrum allotted in 2100 MHz in 2010	E MHz
(f)	Rate of SUC for (e) above (This shall be as prescribed in NIA of 2010 for licensees whose license has not expired. For licensees, whose license has expired, the rate of SUC shall be 5% of AGR subject to final outcome of the court case on this issue).	F%
(g)	Spectrum allotted in 2300/2500 MHz in 2010	G MHz
(h)	Rate of SUC for (g) above (This shall be as prescribed in NIA of 2010. This rate is 1% of AGR from 2300/2500 MHz).	H%
(i)	Spectrum allotted in 1800 MHz in 2012	I MHz
(j)	Rate of SUC for (i) above (This shall be as prescribed in NIA of 2012)	J%
(k)	Spectrum allotted in 800 MHz in 2013	K MHz
(l)	Rate of SUC for (k) above (This shall be as prescribed in NIA of 2013)	L%
(m)	Spectrum allotted in 800 MHz/900 MHz/1800 MHz/2100 MHz in 2014/2015	M MHz
(n)	Rate of SUC for (m) above (This is 5% of AGR)	N%
(o)	Spectrum allotted in 700 MHz/800 MHz/900 MHz/ 1800 MHz/2100 MHz/2300 MHz/2500 MHz in 2016/2021	O MHz
(p)	Rate of SUC for (o) above (This is 3% of AGR)	P%
(q)	Spectrum allotted in different Access spectrum bands through auctions held after 15.09.2021	Q MHz
(r)	Rate of SUC for (q) above (This is 0% of AGR)	R%

Weighted Average rate of SUC =

$$\left[\frac{(A \times B)}{100} + \frac{(C \times D)}{100} + \frac{(E \times F)}{100} + \frac{(G \times H)}{100} + \frac{(I \times J)}{100} + \frac{(K \times L)}{100} + \frac{(M \times N)}{100} + \frac{(O \times P)}{100} + \frac{(Q \times R)}{100} \right] / (A+C+E+G+I+K+M+O+Q)$$

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Note:

For the above calculation of Weighted Average Rate of SUC, spectrum holding shall be calculated as detailed below:

(a) In Frequency Division Duplex (FDD) bands (i.e. 600 MHz, 700 MHz, 800 MHz, 900 MHz, 1800 MHz and 2100 MHz): Allotted Spectrum is equal to sum of quantum of uplink and downlink frequency allotted in the band.

(b) In Time Division Duplex (TDD) bands (i.e. 2300 MHz, 2500 MHz, 3300 MHz and 26 GHz): Allotted Spectrum is equal to the quantum of frequency allotted in the band.

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Annexure-II

(I) Rate of SUC for Administratively Allotted Spectrum Holding:

Order No. P-11014/18/2008-PP dated 25.2.2010

Amount of GSM spectrum	Amount of CDMA spectrum	Spectrum charges as % of AGR
Upto 2 x 4.4 MHz	Upto 2 x 5.0 MHz	3
Upto 2 x 6.2 MHz	Upto 2 x 6.25 MHz	4
Upto 2 x 8.2 MHz	Upto 2 x 7.5 MHz	5
Upto 2 x 10.2 MHz	Upto 2 x 10.0 MHz	6
Upto 2 x 12.2 MHz	Upto 2 x 12.5 MHz	7
Upto 2 x 15.2 MHz	Upto 2 x 15.0 MHz	8

Note: This is subject to outcome of decision of Hon'ble Supreme Court in Civil Appeal No. 9110-9111 of 2010 & Ors.

(II) Rate of SUC for Spectrum Acquired in 2010 Spectrum Auction:

Notice Inviting Application for Auction of 3G and BWA Spectrum vide No. P-11014/13/2008-PP dated 25.2.2010

Auction type	Current spectrum allocation/ license category			
	UAS/CMTS with GSM only	UAS with CDMA only	UAS with dual Tech (GSM +CDMA)	ISP
3G Auction (frequency in 2.1 GHz band)	Revenues from these services to be added to Applicable AGR and Spectrum charges as per Schedule A to Apply	Revenues from These services to be added to applicable AGR and spectrum charges as per Schedule B to Apply	Revenues from these services to be added to applicable AGR and spectrum charges as per Schedule A & Schedule B to apply	NA
BWA Auction (frequency in 2.3 GHz band)	1% of Applicable AGR from BWA services (with such revenue to be Reported separately)	1% of Applicable AGR from BWA services (with such revenue to be Reported separately)	1% of applicable AGR from BWA services (with such revenue to be reported separately)	1% of applicable AGR from BWA services (with such revenue to be reported separately)

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

- Applicable AGR shall be computed in accordance with the provisions of the relevant service licence;
- 3G/ BWA Spectrum to be assigned in the two Auctions shall not be counted for calculating the slab of the total spectrum holding by a licensee for levy of spectrum usage charges;
- The spectrum charge for the 3G Spectrum shall be payable on total AGR of 2G and 3G services taken together;
- Revenues from services using the BWA Spectrum shall not be included in the AGR of the licensee, for the limited purpose of determining spectrum charges on spectrum other than BWA Spectrum;
- Annual spectrum charges shall be applicable from the date of award of right to use allotted spectrum commercially. However, there shall be a moratorium of one year from this date on the payment of spectrum charges for the standalone 3G as well as stand-alone 3G + BWA operators (i.e. winners of 3G/ BWA Spectrum who do not hold 2G spectrum). The moratorium of one year shall not be applicable to operators holding 2G + 3G Spectrum;
- Slab rate for standalone 3G operators shall be equal to the lowest slab rate in Schedule A i.e. 3% of AGR;
- For BWA Spectrum, no annual spectrum charge shall be payable in the first year from the date of award of right to use allotted spectrum commercially.

(III) Rate of SUC for Spectrum Acquired in November 2012 Spectrum Auction:

Notice Inviting Application for Auction of Spectrum in 1800 MHz and 800 MHz Bands vide No. 3-16/2012-Fin./Auction dated 28.9.2012

Schedule A: Charges for GSM operators (Applicable for 1800MHz band)	
Spectrum Slab	% of AGR
Upto 2 x 4.4 MHz	3
Upto 2 x 6.2 MHz	4
Upto 2 x 8.2 MHz	5
Upto 2 x 10.2 MHz	6
Upto 2 x 12.2 MHz	7
Upto 2x 15.2 MHz	8
Schedule B: Charges for CDMA operators (Applicable for 800MHz band)	
Upto 2 x 5.0 MHz	3
Upto 2 x 6.25 MHz	4
Upto 2 x 7.5 MHz	5
Upto 2 x 10.0 MHz	6
Upto 2 x 12.5 MHz	7
Upto 2 x 15.0 MHz	8


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(IV) Rate of SUC for Spectrum Acquired in March 2013 Spectrum Auction:

Notice Inviting Application for Auction of Spectrum in 1800 MHz, 900 MHz and 800 MHz Bands vide No. 1010/4/2012-WF (Auction) dated 30.1.2013

Schedule A: Charges for GSM operators (Applicable for 1800MHz band)	
Spectrum Slab	% of AGR
Upto 2 x 4.4 MHz	3
Upto 2 x 6.2 MHz	4
Upto 2 x 8.2 MHz	5
Upto 2 x 10.2 MHz	6
Upto 2 x 12.2 MHz	7
Upto 2x 15.2 MHz	8
Schedule B: Charges for CDMA operators (Applicable for 800MHz band)	
Upto 2 x 5.0 MHz	3
Upto 2 x 6.25 MHz	4
Upto 2 x 7.5 MHz	5
Upto 2 x 10.0 MHz	6
Upto 2 x 12.5 MHz	7
Upto 2 x15.0 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; for the purpose of levying spectrum usage charges based on revenue share, revenue from wire line subscribers shall not be taken into account;
- 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.
- Spectrum in 1800 MHz and 900 MHz will be added for determining the slab for Spectrum Usage Charges.

(V) Rate of SUC for Spectrum Acquired in February 2014 Spectrum:

Auction: Order No. P-14010/01/2014-NTG dated the 31.10.2014

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- (1) For spectrum acquired through auction during February, 2014 in the bands 1800 MHz and 900 MHz, SUC shall be charged at 5% of the AGR.
- (2) In cases of combination of existing spectrum in 900 MHz and 1800 MHz bands and spectrum acquired through the auction, the weighted average shall be calculated as equal to (a) sum of spectrum held prior to auction held during February 2014 multiplied by applicable slab rate as per order dated 25.02.2010 and (b) spectrum acquired through auction held during February 2014 multiplied by five and then the sum of (a) and (b) divided by total spectrum holding.
- (3) The licensees, who have not acquired spectrum through auction held during February 2014, shall continue to pay SUC at the applicable slab rate as per the order dated 25.02.2010.
- (4) 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.
- (5) The weighted average rate shall be kept to two decimal points by rounding off the second decimal figure to the next higher digit. The rounding off shall be made to next higher digit at two decimal points even if the third decimal point is less than 5.
- (6) In respect of BWA spectrum acquired through auction in 2010, the SUC shall continue to be charged, as per present practice (i.e. para 3.5 of the Notice Inviting Applications (NIA) dated 25.02.2010 for Auction of 3G and BWA spectrum), licensees using BWA spectrum need to pay 1% of AGR from services using this spectrum as annual spectrum Charge irrespective of the licence held by them. Such revenue would be required to be reported separately and the operator be required to report the use of BWA spectrum and the revenue earned there from separately. The operator will have to put in place a system for independently monitoring and verifying the revenue earned from BWA frequencies to prevent revenue misrepresentation.

(VI) Rate of SUC for Spectrum Acquired in March 2015 Auction:

Auction: Order No. P-14010/01/2014-NTG dated the 5.2.2015

- (1) For spectrum acquired through auction during March 2015 in 800 MHz, 900, MHz, 1800 MHz and 2100 MHz bands, SUC shall be charged at 5% of the AGR.
- (2) In cases of combination of existing spectrum in 800 MHz, 900 MHz, 1800 MHz and 2100 MHz bands and spectrum acquired through the auction, the weighted average shall be calculated as equal to (a) sum of spectrum held prior to auction held during March 2015 multiplied by applicable rate as per orders dated 25.02.2010, 31.10.2014 and SUC rates as per Notice Inviting Application (NIA) dated 25.02.2010 and (b) spectrum acquired through

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- auction held during March 2015 multiplied by five and then the sum of (a) and (b) divided by total spectrum holding.
- (3) The licensees, who have not acquired spectrum through auction held during February 2014/March 2015, shall continue to pay SUC at the applicable slab rate as per the order dated 25.02.2010.
 - (4) 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.
 - (5) The weighted average rate shall be kept to two decimal points by rounding off the second decimal figure to the next higher digit. The rounding off shall be made to next higher digit at two decimal points even if the third decimal point is less than 5.
 - (6) In respect of BWA spectrum acquired through auction in 2010, the SUC shall continue to be charged, as per present practice (i.e. para 3.5 of the Notice Inviting Applications (NIA) dated 25.02.2010 for Auction of 3G and BWA spectrum), licensees using BWA spectrum need to pay 1% of AGR from services using this spectrum as annual spectrum charge irrespective of the licence held by them. Such revenue would be required to be reported separately and the operator be required to report the use of BWA spectrum and the revenue earned there from separately. The operator will have to put in place a system for independently monitoring and verifying the revenue earned from BWA frequencies to prevent revenue misrepresentation.

(VII) Rate of SUC for Spectrum Acquired in October 2016 and March 2021 Auctions:

Auction: Order No. P-14010/05/2016 dated 12.08.2016 and Order No. L-14010/01/2021-NTG dated 26.02.2021.

- (1) For spectrum acquired through auction during October 2016 and March 2021 in 700 MHz, 800 MHz, 900, MHz, 1800 MHz, 2100 MHz, 2300 MHz and 2500 MHz bands, SUC shall be charged at 3% of the AGR.
- (2) The weighted average of SUC rates across all spectrum assigned to an operator (whether assigned administratively or through auction or through trading) in all Access Spectrum Bands including Broadband Wireless Access spectrum in 2300 MHz/2500 MHz band acquired in 2010 auction shall be applied for charging SUC subject to a minimum of 3% of AGR excluding revenues from wireline services. The weighted average is to be derived by sum of product of spectrum holdings and applicable SUC rate divided by total spectrum holding.
- (3) The amount of SUC payable by the operators during 2015-16 at weighted average derived after taking into consideration the spectrum acquired through auction in pursuance of Notice Inviting Applications (NIA) No. 1000/06/2016-WF (Auction) dated 8th August 2016 and excluding the

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spectrum in 2300 MHz/2500 MHz band acquired/allotted prior to 2015-16, to be treated as the floor amount of the SUC to be paid by the operators. Further, in case there is a reduction in AGR of the service provider, the floor amount of SUC shall be reduced proportionately.

- (4) For the purpose of calculation of spectrum usage charges, there shall be a minimum/presumptive 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/presumptive AGR or the actual AGR whichever is higher.
- (5) The weighted average rate shall be kept to two decimal points by rounding off the second decimal figure to the next higher digit. The rounding off shall be made to next higher digit at two decimal points even if the third decimal point is less than 5.

Note: Clause (iii) of the SUC Order 12.08.2016 (referred in para 3 above) regarding floor amount of SUC, for the SUC assessment for financial years up to and including FY 2021-22, will be subject to stand of the Government to be taken in respect of TDSAT Order dated 27.12.2021 in TP 9 of 2017.

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