

Auction of Spectrum in 2100 MHz, 1800MHz, 900MHz and 800 MHz Bands

Supplementary Queries & Responses

To

Notice Inviting Applications

Dated 09th January 2015

Government of India

Ministry of Communications & Information Technology

Department of Telecommunications

13th February, 2015

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response
1.	<p>Subject: Clarification Sought by Tata Teleservices Ltd & Tata Teleservices (Maharashtra) Ltd on Notice Inviting Applications (NIA) No. 1000/16/2014-W.F./Auction dated January 09, 2015 for Auction of Spectrum in 2100 MHz, 1800 MHz, 900 MHz & 800 MHz Bands</p> <p>Please refer to the Queries & Responses to Notice Inviting Applications dated 09th January 2015 published on DoT website on 05th February 2015.</p> <p>TTL had submitted a list of queries on liberalization and contiguity of 800 MHz of spectrum. DoT, in its clarification to the NIA released on 5th February 2015 had only said that “<i>NIA is self explanatory</i>”. We would like to submit that NIA has given a path for liberalization of 800 MHz band for all operators who pay the market determined price. However, it has not dealt with the process of achieving contiguity of the liberalized spectrum except in case of only one operator who has taken this spectrum through auction in February 2014. You will agree that liberalization of spectrum has no meaning unless it is contiguous. NIA is silent about the commitment from DoT regarding contiguity of 800 MHz band spectrum which would get liberalized after making the necessary payment. Government Is proposing to auction 103.75 MHz of 800 MHz spectrum with the Pan India total Reserve Price of Rs.13,465 crore. In order for the TSPs to participate in the forthcoming auction, it’s important that the rules of play is made clear, transparent and unambiguous. Therefore, it is imperative that Government provides adequate clarity on the liberalization and contiguity as well to enable TSPs to participate in the forthcoming auction for 800 MHz. In light of the above, we request the Department of Telecom to provide requisite clarification to the following issues of 800 MHz band:</p> <p>If a TSP wins 800 MHz spectrum in this auction in a particular LSA (which is a liberalized spectrum) and makes the currently held 800 MHz spectrum in the same LSA, obtained through administrative allocation, liberalized, after paying the price differential, then is the DoT compulsorily obligated to make the entire spectrum in that LSA contiguous? Ifso, what is the time period?</p>	<p>1. Contiguity of spectrum may be considered subject to availability and in coordination with existing</p>

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

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	<p>2. As part of DoT's letter dated March 20, 2013 imposing levy of One Time Spectrum Charges for CDMA Spectrum, TTL has surrendered certain carriers in the 800 MHz band to DoT. These have not been put up for auction in the current NIA. If TTL is successful in obtaining 800 MHz spectrum through the current February 2015 auction, would DoT allocate some or all of the returned 800 MHz carriers to TTL if it becomes necessary to achieve contiguity with the earlier existing and newly acquired spectrum?</p> <p>3. If a TSP does not proceed with immediate liberalization of the existing spectrum and opts for it at a later date, how will the liberalization take place at that time? Also, will the total liberalized spectrum (i.e., administratively allocated spectrum liberalized through payment of fee plus spectrum allocated through the February 2015 auction) be made contiguous at that time as the DoT is obliged to do so as per the terms of NIA?</p> <p>4. What about the credit for the price paid to get the License i.e., the operators have earlier paid (Rs 1658 crore per technology for pan India) for acquiring these spectrum, will this amount</p>	<p>service providers holding spectrum in that Band in the respective service area.</p> <p>2. Matter is sub-judice.</p> <p>3. Please refer Clause 3.9 of NIA. Further, contiguity of spectrum may be considered subject to availability and in coordination with existing service providers holding spectrum in that Band in the respective service area.</p> <p>4. NIA is self-explanatory.</p>

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response
	<p>be adjusted while converting existing holdings into liberalized one?</p> <p>5. Some TSP has kept one CDMA carrier in few circles above over & above its two carriers and it has been paying OTSC for the same. In case, said TSP liberalizes its administratively allocated 800 MHz spectrum holding in these circles by paying the market determined price. Will the already paid OTSC amount be adjusted while converting existing holdings into liberalized one?</p> <p>6. Is there a staggered payment option for liberalization of existing spectrum? If so, is such staggered payment in line with the payment structure as per the current NIA?</p> <p>7. Does all spectrum holding of a TSP have to be liberalized at the same time? Please confirm that the spectrum can be liberalized circle by circle separately and there is no compulsions to liberalize a TSP's entire holdings at one go.</p> <p>8. Further, can TSP opts to liberalize part of the spectrum holding in a LSA and not the entire spectrum holding in that LSA?</p> <p>The above clarifications are absolutely essentials for a TSP to make a decision on participation in 800 MHz spectrum band in the forthcoming auction. We request you to give a kind consideration to the above issues and provide additional clarification at the earliest.</p>	<p>5. This shall be subject to provisions of Order No. P-11014/19/2008-PP(Pt.I) dated 15-03-2013.</p> <p>6. At present there is no such option.</p> <p>7. Kindly refer Clause 3.9 of NIA.</p> <p>8. Kindly refer Clause 3.9 of NIA.</p>
2.	<p>Spectrum Auction: Note on Applicability of Promoters Lock-in to Existing Licensees</p> <p>The Government has invited applications from telecom operators to participate in the upcoming spectrum auction in February 2015 and the DoT has released Notice Inviting Application (NIA) on January 9, 2015.</p> <p>Clause No 3.2 (xii) of the NIA relating to Lock-in Conditions, especially on its non-applicability,</p>	<p>Kindly refer to Clarifications issued on 05-02-2015.</p>

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response
	<p>reads as under:</p> <p>“.....Further, these conditions are not applicable to existing licensees with effective date of license as three years prior to date of allotment of spectrum as per terms and conditions of this NIA and period of license of existing operators as on date of auction shall be counted towards Lock-in period while being treated as new entrant for that service area. The lock-in period commences from the effective date as defined in NIA”.</p> <p>While clause 3.2(xii) stipulates lock-in of the promoters’ shareholding in the TSP, the said clause 3.2(xii) specifically exempts TSPs in respect of lock-in of the promoters’ shareholding where in such promoters’ network is being used to gain eligibility, in the event the license held by the TSP in the relevant service area is greater than 3 years.</p> <p>In the clarification to the NIA released by the Department of Telecom on 5th February 2015, it has interpreted this provision as below:</p> <p>Lock-in condition for promoters’ equity will be applicable as per the NIA, if the existing licensee uses promoters’ network for gaining eligibility to bid in a band, where it does not hold spectrum. This is applicable to holders of expiring licenses as well.</p> <p>This clarification is not in line with the para 3.2(xiii) for existing licensee whose licences are more than 3 years old but treated as New Entrant for a new frequency band where it does not have spectrum. In case Lock-in Condition is made applicable to such licensee. It will be detrimental for the survival such licensee as they will not be able to participate in the forthcoming auction in such LSAs where in it is deemed as New Entrant, due to the following reasons:</p>	

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response
	<p>1. The Promoters' shareholding is pledged with the lenders. This leaves no scope for the promoters to meet the required lock-in stipulation of the NIA resulting in non-participation at the forthcoming auction in regards to such LSAs wherein the Existing Licensees would be deemed as New Entrants.</p> <p>2. The logical reasoning that clause 3.2(xii) not applicable to Existing Licensees beyond 3 years is that such licensees have already been subjected to such lock-in clause in the UASL [clause 1.8(i)] and more importantly, such TSPs have been in telecom service for sufficiently long period of time proving their commitment to the telecom sector beyond reasonable doubt.</p> <p>The government is aware that the Tata Teleservices been in telecom services since 1999 initially through CDMA, it went into GSM since 2008. From the FY 2009-10 onwards, TataTeleservices have started making investment in capital expenditure to build capacity to service its customers in the GSM technology and also acquired 3G spectrum in 9 circles in 2010-11, thereby increasing its investment multi fold. Investments to the tune of over Rs.35,000 crore (equity & loans) have been infused into the Company since FY 2009 that has resulted in the revenue nearly doubling in the same period with significant improvement in the profitability. Currently, Tata Teleservices is looking to further consolidate the operations and expand its reach. The promoters continue to support the Company and such lock-in conditions will deny Tata Teleservices and many other similarly placed existing operators an opportunity to participate in the auction. This would be against 'principle of promoting competition', against envisaged objectives of the auction and thus would be extremely retrograde step and anti-competitive.</p>	
3.	<p><u>"Kindly refer amendment no. 2 dated 30.1.2015</u> which states as under Item 2, Clause 1.3 at the end of Page 3 –</p>	<p>Kindly refer to Amendment No.4 to NIA.</p>

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response
	<p><i>“The status as a “New Entrant” or as an “Existing Licensee” would be separate in 2100MHz, 1800MHz, 900MHz and 800 MHz bands and this status may be different for different Service Areas depending on the holding of spectrum in such band and in such Service Area.”</i></p> <p>Further refer DoT Amendment no. 3 dated 05.02.2015, , Item 13 Clause 8.3.1.1, wherein the DoT has sought the data as per template for all spectrum bands.</p> <p>The above amendments require that the status has to be provided for each band in each service area. However, the template provided for application on Page 107 of the NIA dated 9.12015, does not allow such inputs to be provided. Hence, the format needs to be modified. We suggest the format as given below and for the sake of clarity have also filled it up for our company.</p> <p>Kindly confirm that this revised format is acceptable or please advise the specific format to be followed.”</p> <p><u>Our proposal (taking Idea situation) as below :</u></p> <p>Annexure for Application for participating in 2100MHz, 1800 MHz, 900 MHz and 800 MHz band Auction</p>	

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query								Response
	Sr. No.	Service Area	Existing Licensee / New Entrant				Details of Telecom Service Licenses held by the Applicant in the Service Area* UAS/CMTS/UL(AS)/UL with access service authorization along with effective date of licence		
			2100 MHz	1800 MHz	900 MHz	800 MHz	License No. and date	Effective date of license	Type of license
	1	Andhra Pradesh (license expiring in in 2015)	New Entrant <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	842-52/95-VAS/(B) 19/12/1995	19.12.1995	CMTS
	2	Assam	New Entrant <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	20-363/2012 AS-I Vol.II 11.10.2013	11.10.2013	UL
	3	Bihar	New Entrant <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	20-204/2006-BIRLA/AS-I 6.12.2006 Refer Note (i)	6.12.2006	UAS
	4	Delhi	New Entrant <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	842-384/2001-VAS/Delhi 5.10.2001	5.10.2001	CMTS
	5	Gujarat (license expiring in in 2015)	New Entrant <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	842-58/95-VAS/58-A 12.12.1995	12.12.1995	CMTS

* Details of all the Licenses held by Allies / Sister concern / Partners or legal entities with 10% or

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response
4.	<p><u>Please refer to Query No. 168 (Queries & Responses to NIA issued by DoT on 05.02.2015) – this query was asked by us on 19.01.2015 & again on 02.02.2015. Query reproduced as under :</u></p> <p><u>Please refer to page 79 of the NIA - Clause 5.5 – Frequency Identification Stage</u></p> <p>While the NIA contains the details and logic regarding automatic identification of frequencies for the contiguous block of 5MHz, there is no mention of on what basis frequencies for “non-contiguous spectrum” will be allocated. NIA states that this will be on a random basis, but based on our analysis of Feb’14 auction results, this (random basis) was not followed in the last auction. The allocation in the last auction was done on the basis that “the highest ranked bidder who was to be given the non-contiguous spectrum was given the smallest block (s) and the lowest ranked bidders were given the largest block or where there was unsold spectrum the largest block was left unallocated. This can be seen based on spectrum allocation in Punjab, Haryana and there may be other cases”. This is grossly unfair, where the highest ranked bidder has been given the most fragmented spectrum from the non-contiguous blocks.</p> <p>We suggest that the logic for allocation of non-contiguous spectrum should not be on a random basis and the logic should be just the opposite of that followed in the last auction i.e. the highest ranked bidder should be given allocation starting from the largest blocks and moving to the next largest band, so that the spectrum allocated to the highest bidder consists of minimum possible blocks. In any case the logic for allocation of frequency blocks should be transparently disclosed in the NIA. Please inform the logic for allocation of frequency blocks for non-contiguous spectrum to the winning bidders. (Q168)</p> <p><u>Response by DoT (Query No. 168)</u> <i>Allocation of non-contiguous spectrum would be done on the <u>basis of Ranking and best fit to the quantum of spectrum won.</u> This is also applicable to the examples on pages 80, 81 and 82, in respect of allocation of non contiguous.</i></p> <p><u>Clarification/ Query required post DoT response :</u></p>	<p>Kindly refer to Clarifications issued on 05-02-2015.</p>

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response
	<p>We are still not clear / require clarification about the following –</p> <p>a) What is the meaning of “best fit to the quantum of spectrum won” in the context of non-contiguous spectrum? It would be useful if the principles to be followed for determining best fit may be listed along with some examples. It may be appreciated that the highest ranked bidders got the most fragmented non-contiguous spectrum where applicable in the Feb’14 auction. This was against normal principle of best slots for the highest ranked bidder and contrary to the principle of random allocation stated in the NIA. We do not want get into the same situation again because of lack of transparency and hence this needs to be clearly addressed.</p> <p>b) As regards allocation of non-contiguous spectrum on the basis of ranking, please confirm that the highest ranked bidder will get the allocation “of” or “out of” the largest non-contiguous block (s) available across the circle.</p>	
5.	<p><u>Query No. 187 (Queries & Responses to NIA issued by DoT on 05.02.2015) – this query was asked by us on 19.01.2015. Query reproduced as under :</u></p> <p>Spectrum Spot Allocation Logic For 900 MHz - In the last auction for renewal of licenses in Feb’14, there were at least 3 contiguous blocks of 5MHz available in the Delhi and Mumbai and 2 contiguous blocks were available in Kolkata (these were equal to no. of eventual winner in these service areas). Hence, all winner of 900MHz in these service areas got allocation of contiguous block. However, based on the details available in present NIA for 900MHz spectrum, there could be a scenario where the winner of 5MHz (or more) in 900 MHz may not get the allocation of contiguous spectrum. How does DoT propose to resolve this?</p> <p><u>Response by DoT (Query No. 187)</u> <i>Kindly refer to Amendment No. 3 to this NIA.</i></p>	NIA and Amendments thereto are self-explanatory.

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response
	<p><u>Clarification/ Query required post DoT response</u> Amendment No. 3 to NIA – Annexure 2-B-900MHz – The change has been done only in the frequency spots for block A and block B for Punjab service area, which does not address the query itself. <u>Our question</u> is that if there are three winners of 5MHz or more each in Punjab service area then the third ranked bidder (of >= 5 MHz) will get non-contiguous blocks. How does DoT propose to ensure that every winner of 5 MHz or more gets at least one contiguous block of 5 MHz in Punjab, as this is the ONLY circle in 900 MHz (including the last auction) where a bidder winning 5 MHz or more will get non-contiguous spectrum?</p>	

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response
6.	<p><u>Query no. 202 (Queries & Responses to NIA issued by DoT on 05.02.2015) – this query was asked by us on 19.01.2015. Query reproduced as under :</u></p> <p>Please confirm the representations made by the DoT in the NIA and responses to the queries will be legally binding on the DoT.</p> <p><u>Response by DoT (Query No. 202)</u> <i>NIA is self-explanatory.</i></p> <p><u>Clarification/ Query required post DoT response</u></p> <p>Clause 7.3 of NIA “Disclosure of further information is reproduced below”</p> <p><i>Following issue of this Notice, the Government has the discretion to publish further information and to amend the Notice from time to time either on its own or in response to any clarification requested. <u>All such amendments will constitute a part of the Notice and shall be binding for compliance on them. The amendments, if any, will be notified on the DoT website.</u></i></p> <p>Based on our understanding, the above clause covers only amendment made to the NIA. The Responses given by the DoT on queries are not covered in the clause above. <u>During the Feb’14 spectrum auction the DoT has responded that “The NIA queries and responses are the part of the NIA document” (response to Query no. 221/page 80 of Queries and Responses).</u></p> <p><u>We request DoT to please confirm the same position as in Feb’14 auction for this auction also. If this is already captured elsewhere in the NIA, the relevant reference may please be provided.</u></p>	<p>The queries and responses to NIA are part of the NIA document.</p>
7.	<p>As per point 4(a)of the application format, passport number is required to be given of the authorised signatories of the different companies that are signing the Application or any</p>	<p>Where the authorised</p>

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response
	<p>attachment to it.</p> <p>Please confirm that in those cases, where the authorised signatory does not possess any passport, other documents number like PAN Card, Driving License etc. will be acceptable?</p> <p>DoT vide a similar query (query no. 18) to Nov 12 auctions has revert the following: <i>“Please provide any suitable identification document (PAN Card, Voter Identity Card, DIN etc.) in such a case.”</i></p> <p>DoT is requested to kindly confirm that in such circumstances, any suitable identification document number like PAN No./Voter ID Card No./Driving License No. can be provided.</p>	<p>signatory does not possess any passport, other documents number like PAN Card, Voter’s ID Card, Aadhar Card or Driving License will be acceptable.</p>
8.	<p>Reliance Communications Ltd. (RCOM) holds UAS Licenses pan India except Assam and North East since 2001. Reliance Telecom Ltd. (RTL), a 100% subsidiary of RCOM also holds UAS licenses in the 8 service areas of Assam, Bihar, H.P., M.P., North East, Orissa, West Bengal since 1995 and Kolkata since 2001.</p> <p>2. RCOM had acquired 2100 MHz spectrum (3G) in 5 service areas i.e. Delhi, Mumbai, Punjab, rajasthan and J & K and RTL had acquired 2100 MHz spectrum in all its 8 service areas. The validity of 2100 MHz spectrum will be till 2030.</p> <p>3. Licenses and 900 / 1800 MHz spectrum allocated to RTL in the circles mentioned above (except Kolkata) will be due for renewal in December, 2015. As per the existing guidelines of the DoT, at the time of renewal, the service provider will have to obtain a Unified License for Access Services and acquire spectrum through auction for the continuance of services.</p> <p>4. Sir, the new UL guidelines do not permit any licensee or its promoter to directly or indirectly have any beneficial interest in another licensee company holding access spectrum in the same service area and the exception granted so far has been withdrawn. The DOT has permitted a period of one year from the date of grant of Unified License for compliance of these new UL guidelines.</p>	

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response
	<p>5. In normal course, RTL would have acquired spectrum at the time of renewal of licenses. However, to meet the above stipulations of DOT Guidelines, the company now intends to acquire spectrum under RCOM for the continuance of telecom services operated so far by RTL and transfer the existing business and resources of RTL to RCOM.</p> <p>6. However, Clause 3.2 (v) of the NIA issued on 9th January, 2015 does not permit RCOM to acquire spectrum in 900 / 1800 MHz spectrum bands in the RTL circles of Assam, North East, Himachal Pradesh, Madhya Pradesh, Bihar, Orissa and West Bengal.</p> <p>7. In light of new stipulations of Unified License and the fact that RCOM is a 1100% holding company of RTL, DOT is requested to allow RCOM for the acquisition of spectrum in 900 / 1800 MHz spectrum bands in the 7 RTL circles which are due for renewal in December, 2015. Permission to transfer existing business along with the resources including 3G spectrum held by RTL in these circles to RCOM may also be granted.</p> <p>8. Since the applications for participation in spectrum auction have to be submitted by 16th February, 2015, permission on the following may kindly be issued very urgently:</p> <p>i) Permission to acquire 900 / 1800 MHz spectrum by RCOM in the 7 circles wherein RTL licenses and spectrum are due for renewal in December, 2015</p> <p>ii) Permit transfer of existing business, 3G spectrum and other resources held by RTL to RCOM.</p>	<p>8i) Kindly refer to Amendment No. 4.</p> <p>8ii) As per the UL Guidelines, as amended from time to time.</p>
9.	<p>1.For the purpose of 2100MHz spectrum in Annexure 8.3.1.1, a bidder which is a New Entrant as per Clause 3.2(iii) of the NIA(i.e. Bidders whose licenses are due for expiry in 2015-16 and whose spectrum in 900 and 1800MHz band has been put to auction will also be treated as “New Entrants”) and who presently holds 2100MHz spectrum , will it fall in category of Existing Licensee or New Entrant?</p>	<p>It will be ‘New Entrant’.</p>

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response
	<p>2. In Amendment No. 3 dated 5.2.2015 in Clause 11 the Certificate of Network is required to be given by 15.2.2015 which is before the last date of filing of bid applications. This will require corresponding amendment.</p>	<p>Please refer Amendment No. 4 to NIA.</p>
<p>10.</p>	<p>Reference: Clarification to Query 263</p> <p>Query DoT is requested to clarify why 1.8MHz in 1800MHz is still being reserved for Aircel in case DoT has not realised the money as per its demand. This 1.8MHz should be made available for auction and should not be with-held. Please clarify <u>Clarification</u> "Matter is subjudice."</p> <p>Qs Since it is stated that "Matter is sub-judice" and considering that DOT had excluded 1.8MHz in 1800MHz spectrum band in 11 circles from the last auction held i.e. of Feb' 2014 to comply with the Hon'ble TDSAT Judgment. Please confirm that these spectrums are still reserved for allocation to Aircel Limited / Dishnet Wireless Limited to comply with final adjudication i.e. that these spectrums have not been put in the present auctions. Pls confirm.</p>	<p>NIA is self-explanatory.</p>
<p>11.</p>	<p>Reference: Clarification to Query 354</p> <p>Query Reference: 5.3.1 Spectrum Holding Capping Rule For the purpose of this Auction the bidding by the bidders for each of the Service Areas in each of the bands will be restricted by a Cap which would depend on the Spectrum assigned in the respective band (1800 MHz/ 900 MHz/800 MHz) and also on the Total Spectrum assigned in all the bands namely 800 MHz/ 900 MHz/ 1800 MHz/ 2.1 GHz/ 2.3 GHz/ 2.5 GHz along with respective paired frequencies</p>	

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response												
	<p>Q Three licensees have varying amount of spectrum assigned in 900MHz and 1800MHz bands in the erstwhile “Chennai” and “Rest of Tamil Nadu” service areas. For eg. some of them have 900MHz only in Chennai or vice versa and only 1800MHz spectrum in “Rest of Tamil Nadu” or vice versa. Please confirm how are the spectrum caps devised in such scenario for these operators?</p> <p><u>DoT Clarification</u> In response to query 354, the DoT has clarified “In Tamilnadu service area, spectrum holdings have been reflected by taking maximum allotment in a particular band in any of Tamilnadu excluding Chennai and Chennai service area.”</p> <p>Qs As per the report published by WPC on its website on Spectrum Holding of Telecom Service Providers (TSPs) as on 31st January 2015, Remarks No.2 – “In Tamil Nadu service area, some operators are holding seperate UAS/CMTS licences for Chennai and Tamil Nadu (excluding Chennai) service areas. For these operators, spectrum holdings have been reflected by taking maximum allocation in either of these two service areas.”</p> <p>a. These two are self-contradictory, hence request DoT to clarify which of the two needs to be considered.</p> <p>b. Also, request the WPC table to be corrected for Tamil Nadu Circle, where Aircel’s spectrum is calculated based on DoT’s NIA clarification criteria of maximum allotment in particular band while for other operators namely Bharti and Vodafone it has been calculated based on the WPC’s remarks of maximum allocation in either of the service area. Table below gives the holding of these 3 operators in Chennai, TN (excl. Chennai), and TN (incl. Chennai) service areas.</p> <table border="1" data-bbox="454 1249 1619 1362"> <thead> <tr> <th>Operator</th> <th>Band</th> <th>Chn</th> <th>TN(e.C)</th> <th>TN(i.C)</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Aircel</td> <td>900</td> <td>12.4</td> <td>15.6</td> <td></td> <td>28</td> </tr> </tbody> </table>	Operator	Band	Chn	TN(e.C)	TN(i.C)	Total	Aircel	900	12.4	15.6		28	<p>Not related to present NIA.</p>
Operator	Band	Chn	TN(e.C)	TN(i.C)	Total									
Aircel	900	12.4	15.6		28									

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query						Response							
		1800	4.8	4		8.8								
		2100			10	10								
		2300			20	20								
		Total	17.2	19.6	30	66.8								
	Bharti	900	12.4			12.4								
		1800	4.8	12.4	11.2	28.4								
		2100												
		Total	17.2	12.4	21.2	50.8								
	Vodafone	900		12.4		12.4								
		1800	16	2		18								
		2100												
		Total	16	14.4	10	40.4								
	*Highlighted cells are what have been considered by WPC.													
12.	<p>Frequency allocation in 800 MHz band: Please confirm that in cases where the same Telecom Service Provider is present on both sides of the Inter Operator Guard band (which are in the range of 270 / 300 / 600 KHz), the guard band shall be shifted so that the Service Provider gets contiguous spectrum allocation (including providing for existing spectrum).</p> <p>For example consider following case for Himachal Pradesh Service Area</p> <p>A) Present Frequency Spots</p> <table border="1"> <thead> <tr> <th colspan="2">Put to Auction</th> <th colspan="2">Operator – A (Existing)</th> </tr> </thead> <tbody> <tr> <td>879.54</td> <td>880.77</td> <td>882.3</td> <td>883.53</td> </tr> </tbody> </table> <p>B) Frequency allocation in case Operator-A is winning bidder for above 2 Blocks</p>					Put to Auction		Operator – A (Existing)		879.54	880.77	882.3	883.53	No change in NIA conditions.
Put to Auction		Operator – A (Existing)												
879.54	880.77	882.3	883.53											

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response								
	<table border="1" data-bbox="456 293 1357 400"> <thead> <tr> <th data-bbox="456 293 533 347"></th> <th data-bbox="533 293 757 347">Winning Blocks of Operator A</th> <th colspan="2" data-bbox="757 293 1357 347">Operator – A (Existing)</th> </tr> </thead> <tbody> <tr> <td data-bbox="456 347 533 400"></td> <td data-bbox="533 347 757 400">879.84</td> <td data-bbox="757 347 958 400">881.07</td> <td data-bbox="958 347 1357 400">882.3 883.53</td> </tr> </tbody> </table> <p data-bbox="456 448 1106 480">Please confirm our understanding as depicted above.</p>		Winning Blocks of Operator A	Operator – A (Existing)			879.84	881.07	882.3 883.53	
	Winning Blocks of Operator A	Operator – A (Existing)								
	879.84	881.07	882.3 883.53							
13.	<p data-bbox="456 488 1547 520">Request you to consider an important issue relating to NIA and provide necessary clarity:</p> <ol data-bbox="501 555 1563 1345" style="list-style-type: none"> <li data-bbox="501 555 1563 834">1. Clause (f) of undertaking at Page 115 of NIA states as follows: “That in case an application for a Unified Licence with authorisation of access service in specified service area(s)/authorisation of access service in specified service area(s) by the Nominated License Applicant/New Entrant Nominated Unified License Applicant has not been made within <u>seven(7) days of the Applicant being declared a Successful bidder</u>, the Government shall have the right to curtail/revoke the spectrum.” <li data-bbox="501 847 1563 1002">2. In our view, as per the UL guidelines, in cases of migration/renewal to UL, including mandatory migration, the Networth is not the requirement at the time of such migration/renewal. The process for migration under UL Guidelines does not mention this. <li data-bbox="501 1015 1563 1217">3. However, if DoT does not agree with this view, then there will be cases where a company whose licenses are due for expiry in 2015-16 and whose spectrum in 900 and 1800 MHz band has been put to auction will need to apply for UL within 7 days of being declared successful bidder. The networth requirement as mentioned in Annexure 1 of UL Guidelines will also have to be complied at the time of application . <li data-bbox="501 1230 1563 1345">4. It is submitted that such a company may at present have accumulated losses and a negative networth and may therefore have to put additional capital to make its networth positive to meet criteria as per Annexure 1 of UL Guidelines. This decision 	No change in NIA conditions.								

Auction of Spectrum in 2100 MHz, 1800MHz,900MHz, 800 MHz Bands – Queries & Responses

Query No.	Query	Response
	<p>of adding capital is , therefore, dependent upon it being declared a successful bidder and the process of adding capital will take up to 60 days time from being declared the successful bidder. This process of capitalization cannot be done in short time of 7 days at it will require various steps which include compliance with company law and legal procedures/processes besides other steps to add capital.</p> <p>5. Thus, in the event DoT is of the view that networth requirement does apply in the above case, request you to accordingly modify the clause (f) on page 115 of the NIA to as follows <u>in case of such licensees</u>: That in case an application for a Unified Licence with authorisation of access service in specified service area(s)/authorisation of access service in specified service area(s) by the Nominated License Applicant/NewEntrant Nominated Unified License Applicant has not been made within <u>60 (sixty days) of the Applicant being declared a Successful bidder,</u> the Government shall have the right to curtail/revoke the spectrum .</p>	