

**Government of India  
Ministry of Communications & IT  
Department of Telecommunications  
WPC Wing**

**Dated 1 August, 2008**

**Detailed Guidelines for Auction and Allotment of Spectrum for BWA Services**

The Government of India hereby announces the following guidelines for auction and allotment of spectrum for BWA services.

**1. Frequency Bands**

1.1 Spectrum in 2.5 GHz band shall be allocated for BWA services through bidding/ auction;

**2. Eligibility for Bidding for BWA Spectrum**

Any person

- (i) who holds a UAS licence or
- (ii) who fulfills the eligibility criteria for obtaining a Unified Access Services Licence (UASL) as per Department of Telecommunications guidelines dated 14.12.2005.
- (iii) who holds a ISP licence category 'A' or 'B'.

**3. Amount of Spectrum and Reserve Price**

3.1 Spectrum shall be auctioned in the 2.5 GHz, and 2.3 GHz bands for data services. Each successful bidder can get 20 MHz in 2.3 and 2.5 GHz bands in a telecom service area. The number of blocks shall be two in 2.3 GHz band and two in 2.5 GHz band. The reserve price per MHz in 2.3 GHz and 2.5 GHz bands shall be 25% of the 3G reserve price.

Spectrum in 700 MHz and 3.3-3.6 GHz bands shall be auctioned as and when it becomes available.

**4. Mergers and Acquisitions**

4.1 Mergers and acquisitions shall be as per policy guidelines on the subject issued by DOT vide No. 20-100/2007-AS-I dated 22<sup>nd</sup> April 2008 or any subsequent revision thereof.

**5. Auction Process**

5.1 A controlled, simultaneous, ascending e-auction shall be conducted, as per details to be notified separately. The broad stipulations shall be as follows: -

- (a) The bidding shall be service area wise.
- (b) The bid shall be submitted in Rupees for each block of spectrum.
- (c) Successful bidder shall deposit 25 per cent of the successful bid amount as bid deposit within 5 days of the close of the auction, failing which it shall forfeit the earnest money.
- (d) Successful bidder shall deposit the balance amount (bid amount – bid deposit) within fifteen calendar days of the bid, failing which it shall forfeit the earnest money.
- (e) Neither a bidder can withdraw a bid after placing, nor it can reduce a bid in subsequent rounds. If a bidder withdraws a bid at any point of time, it shall forfeit the earnest money.
- (f) The Government of India reserves the right to disqualify any bidder violating these rules.
- (g) If the number of bids is less than or equal to the number of spectrum blocks available in the service area, the spectrum shall be allocated to all the bidders at the highest bid price. If the number of bids is greater than the number of spectrum blocks available, the auction shall proceed as per e-auction rules.
- (h) When the number of bidders left is equal to the number of blocks of spectrum being auctioned in any service area, the auction shall be closed. All the bidders shall have to match the bid of the highest bidder (H1). In case they do not match, then that block would be offered to the next highest bidder at the highest bid price (H1). If any block is left vacant then that block shall be re-auctioned.
- (i) The top bidders shall be called in decreasing order of their bids to choose which block of spectrum they wish to be allocated.
- (j) If there is a tie between a bidder who is a UAS licensee and another who is an ISP licensee, then preference will be given to UAS licensee. If there is a tie between two UAS licensees or two ISP licensees, then preference would be given to the bidder with the higher subscriber base.
- (k) One block of 20 MHz shall be allocated to MTNL in Delhi and Mumbai/Metro Service Areas and BSNL in other Service Areas at a price equal to the highest bid in the respective service area.

## **6. Grant of Licence**

6.1 The successful bidder shall get spectrum allotment for BWA services for a period of 15 years duration.

6.2 The successful bidder shall obtain SACFA clearance and a separate wireless operating licence from Wireless Planning and

Coordination (WPC) Wing under Indian Wireless Telegraphy Act 1933 as per prescribed procedure.

6.3 In case UAS or ISP licence for BWA service is cancelled/terminated for any reason, the spectrum allocated shall stand withdrawn forthwith;

6.4 If the period of the UAS or ISP license is expiring before the extended spectrum allotment for BWA services, its existing UAS or ISP license shall be extended in the 19<sup>th</sup> or 14<sup>th</sup> year of its validity as applicable, to a date 15 years from the date of BWA spectrum allotment at a price. This price would be determined by the Government at the time of extension of licence. This automatic extension of the UAS or ISP licence shall be done for the period required to make it co-terminus with the BWA spectrum allocation period by amending licence conditions, if required.

6.5 A separate entry fee shall be payable for grant of UAS/ISP licence for BWA services in addition to BWA spectrum auction price. This shall be equal to the entry fee of the UAS/ISP licence issued by the Department of Telecom.

## **7. Roll Out Obligations**

7.1 The roll out obligations for BWA services in various service areas shall be as follows:

<b>Category of Circle</b>	<b>At the End of 2 Years From Date of BWA Spectrum Allocation</b>	<b>At the End of 5 Years From the Date of BWA Spectrum Allocation</b>
Metros	-----	90% of metro area
A, B and C	25% rural SDCAs area coverage.	50% rural SDCAs area coverage.

## **8. Penalty for Non-Fulfilment of Rollout Obligations**

9.1 If the licensee does not achieve the two years roll out obligations under para 8 above, its performance bank guarantee shall be encashed. If it fails the 5 years roll out obligation its spectrum assignments shall be cancelled.

## **9. Annual Spectrum Usage Charges**

9.1 No annual spectrum charge shall be payable for BWA services in the first year from the date of allocation of spectrum.

9.2 The operators shall pay an annual spectrum charge of 1% of AGR after a period of one year.

## **10. Other Issues**

10.1 The Government of India reserves the right to amend or modify these terms and conditions before the commencement of auction process. The final conditions shall be as indicated in the bidding document.

10.2 The Government of India reserves the right to cancel the bidding process or disqualify any bidder.

10.3 Trading/sharing of spectrum, if any, shall be governed by Government policy.

10.4 Auction shall be conducted by an independent expert agency to be appointed for this purpose by the Government of India.

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