

F. No. P-11014/16/2008-PP
Government of India
Ministry of Communications & IT
Department of Telecommunications
WPC Wing

Dated 11th September 2008

Clarification/Amendments to the Guidelines for Auction and Allotment of Spectrum for 3G Services issued on August 01, 2008

A number of queries/requests for clarifications and suggestions for amendment were received from various sources on the guidelines for Auction and Allotment of Spectrum for 3G Services issued by DoT on August 01, 2008. Based on the feedbacks and inputs received, following clarifications/amendments are provided:

Para No. of guidelines	Existing	Substituted by
(a)	(b)	(c)
2. Eligibility for Bidding for 3G Spectrum	<p>Any person</p> <p>(i) who holds a UAS licence or</p> <p>(ii) who fulfills the eligibility criteria for obtaining a Unified Access Services Licence (UASL) as per Department of Telecommunications guidelines dated 14.12.2005 and has previous experience of running 3G telecom services</p> <p>can bid for 3G spectrum</p>	<p>Any person</p> <p>(i) who holds a UAS/CMTS licence; or</p> <p>(ii) (a) who has previous experience of running 3G Telecom Services; and</p> <p>(b) gives an undertaking to obtain Unified Access Services Licence (UASL) as per Department of Telecommunications guidelines dated 14.12.2005 before starting telecom operations</p> <p>can bid for 3G spectrum</p>
3. Amount of Spectrum Sub para 3.2	<p>Spectrum shall be auctioned in the 450 MHz band, in 800 MHz band for EVDO services, and in 1900 MHz band (1900 – 1910 paired with 1980-1990 MHz) when it becomes available. UASL CDMA telecom service providers may have the option to seek 2x1.25 MHz in 800 MHz band subject to availability at a price equivalent to the highest winning bid in 2.1 GHz auction prorated to a per 2x1.25 MHz price. The seniority for allotment shall be the subscriber base in a telecom service area.</p>	<p>Spectrum shall be auctioned for 3G services in the 450 MHz band, 2x1.25 MHz in 800 MHz band for EVDO services, and in 1900 MHz band (1900 – 1910 paired with 1980-1990 MHz) when it becomes available.</p> <p>The reserve price for auction of one block of 2x1.25 MHz spectrum in 800 MHz band shall be 25% of reserve price for 2x5 MHz in 2.1 GHz band. The reserve price for one block of spectrum in 450 MHz and 1900 MHz bands would be notified separately.</p>
4. Mergers and Acquisitions Sub para 4.1	<p>Mergers and acquisitions shall be as per policy guidelines on the subject issued by DOT vide No. 20-100/2007-AS-I dated 22nd April 2008 or any subsequent revision thereof.</p>	<p>Mergers and acquisitions shall be as per policy guidelines on the subject issued by DOT vide No. 20-100/2007-AS-I dated 22nd April 2008 or any subsequent revision thereof. This policy is applicable for merger between two UASL holders only in a service area.</p>

<p>7. Grant of Licence.</p> <p>Sub para 7 (d)</p>	<p>If the period of existing UAS telecom licence of a successful bidder is expiring before this period of 20 years for spectrum allotment for 3G services, its existing UAS licence shall be extended in the 19th year of its validity to a date 20 years from the date of 3G spectrum allotment at a price as may be determined by the Government at the time of extension of licence. This extension shall be done in the 19th year of the UAS licence for the period required to make it co-terminus with the 3G spectrum allocation period by amending licence conditions if required.</p>	<p>If the period of existing UAS telecom licence of a successful bidder is expiring before this period of 20 years for spectrum allotment for 3G services, its existing UAS licence shall be extended in the 19th year of its validity to a date 20 years from the date of 3G spectrum allotment in such manner, as the Government deems fit. This extension shall be done in the 19th year of the UAS licence for the period required to make it co-terminus with the 3G spectrum allocation period by amending licence conditions if required.</p>
<p>10. Spectrum Usage Charges:</p>	<ul style="list-style-type: none"> • No annual spectrum charge shall be payable for 3 G Telecom services in the first year from the date of allotment of spectrum. • The licensee shall pay annual spectrum charge of 1% of AGR after a period of one year. 	<ul style="list-style-type: none"> • No annual spectrum charge shall be payable for 3 G Telecom services in the first year from the date of allotment of spectrum. • The licensee shall pay annual spectrum charge of 1% on the incremental revenue due to 3G services after a period of one year. The method of calculation shall be notified separately.
<p>11. Other issues</p>	<p>The Government of India reserves the right to cancel the bidding process or disqualify any bidder.</p>	<p>The Government of India reserves the right to cancel the bidding process or disqualify any bidder without assigning any reason.</p>