

**Auction of Spectrum in 700 MHz, 800MHz, 900MHz, 1800 MHz, 2100 MHz, 2300 MHz and
2500 MHz Bands**

**Queries & Responses
To
Notice Inviting Applications
Dated 08th August 2016**

**Government of India
Ministry of Communications & Information Technology
Department of Telecommunications
29th August, 2016**

Sl	Query	Response
1	<p>The EMD and Eligibility Points across bands (Page 117 -123, Table A1 to A7) need to have some logic and uniformity. However, when we tabulate these for all the bands put together, there seem to be many anomalies. In some band, a particular circle is categorized in a higher category, while in others, it is categorized in a lower category. The kind of anomalies we see would make it very difficult for bidders to participate, particularly in moving from one spectrum band to another in case price of a particular band has become very high. This may actually prevent some bidders from buying spectrum. The entire tabulation is given in Enclosure 1 (at the end of this document). The relevant observations and suggestions are as under :</p> <p>a. We see that the number of categories of circles created for different spectrum bands varies from 4 (1800 MHz) to 7 (2500 MHz). There is no rationale for this difference and we request that these be normalized to 4 or 5 categories in each band with categorization of each circle remaining same across all frequency bands.</p> <p>b. It is common knowledge that 1800 MHz and 2100 MHz bands are the two most substitutable bands (over 1 GHz) in the auction for broadband needs and bidders may need to move from one to the other. However, while the eligibility points for 1800 MHz for 21 circles where it is being put to auction are 6245 (for 5 MHz blocks), the comparable eligibility points for the same set of 21 circles in 2100 band are 10246. Of course there are various anomalies across individual circles which are evident from the table. For example, if a bidder is bidding for 1800 band in AP with 675 EPs, it can shift to 2100 band in the same circle with 641 EPs. However, a bidder in 1800 MHz band in Karnataka with 675 EPs cannot shift to 2100 band which has 1411 EPs.</p> <p>We believe these kind of anomalies are not what is intended, but these will make the auction sub-optimal both for the DoT and the bidders. Hence, our request is that EPs of all circles in</p>	<p>The Eligibility Points per block has been revised to provide increased flexibility of switching.</p> <p>Annexure A (Table A1-A7) & Annexure E has been amended.</p> <p>Please refer Amendment No. 1 to NIA.</p>

1800 band and 2100 band be made equal. This will be best both for the government who wants to maximize the sale of spectrum and for the bidders, who will be able to bid for what they want.

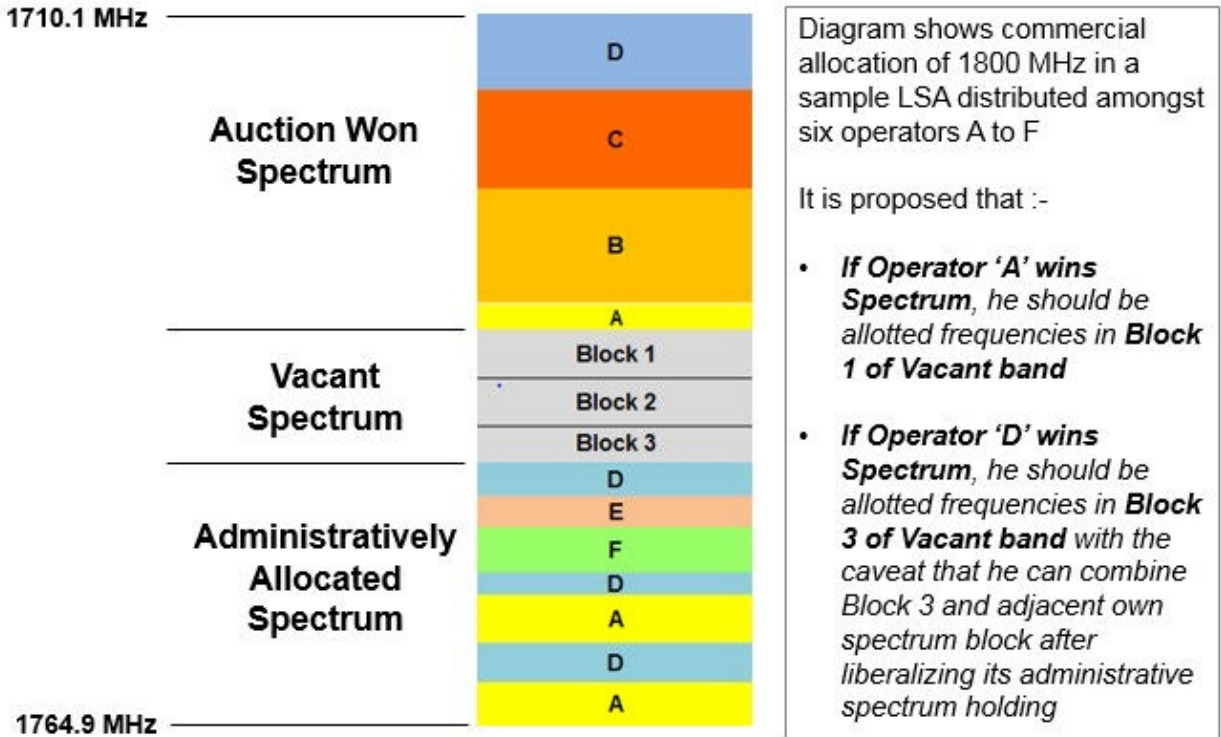
c. Ideally, we submit, the following bands should have same EPs in the same circles –

- 700, 800, 900 MHz - Same EPs (highest)
- 1800, 2100 MHz - Same EPs (less than 700, 800 and 900)
- 2300 /2500 Band - The EPs are already equal. Only categories are too many and these may be normalized as suggested in para 1.

Service area	EMD per 5 MHz paired or 10 MHz Unpaired Spectrum						Eligibility Points per 5 MHz paired or 10 MHz Unpaired Spectrum					
	700 MHz	800 MHz	900 MHz	1800 MHz	2100 MHz	2300 / 2500 MHz	700 MHz	800 MHz	900 MHz	1800 MHz	2100 MHz	2300 / 2500 MHz
Andhra Pradesh	480	240		187.5	120	60	3105	1164		675	641	291
Delhi	480	480		187.5	240	120	3105	2564		675	1411	641
Gujarat	480	240	375	187.5	120	60	3105	1164	1500	675	641	291
Karnataka	480	240		187.5	240	120	3105	1164		675	1411	641
Maharashtra	480	480		187.5	240	60	3105	2564		675	1411	291
Mumbai	480	480		187.5	240	120	3105	2564		675	1411	641
Tamil Nadu	480	240			240	120	3105	1164			1411	641
Kerala	240	120		75	120	15	1411	528		250	641	60
Kolkata	240	120		75	60	30	1411	528		250	291	132
Madhya Pradesh	240	240		75	60	7.5	1411	1164		250	291	27
Punjab	240	60		75	60	30	1411	240		250	291	132
Rajasthan	240	120		75	60	7.5	1411	528		250	291	27
Uttar Pradesh (East)	240	120	375	75	60	15	1411	528	1500	250	291	60
Uttar Pradesh (West)	240	120	375	75	60	15	1411	528	1500	250	291	60
Bihar	120	60	375	75	60	7.5	641	240	1500	250	291	27
Haryana	120	30		25	30	7.5	641	108		75	132	27
West Bengal	120	60		25	30	7.5	641	240		75	132	27
Assam	60			25	30	3	291			75	132	10

	Orissa	60	30		25	30	7.5	291	108		75	132	27		
	Himachal Pradesh	30	12		12.5	15	1	132	40		25	60	3		
	Jammu & Kashmir	30			12.5	7.5	1	132			25	27	3		
	North East	30			12.5	7.5	1	132			25	27	3		
	Total	5610	3492	1500	1862.5	2130	816	34513	17128	6000	6425	11657	4062		
	No.of categories	5	6		4	6	7	5	6		4	6	7		
	Category 1														
	Category 2														
	Category 3														
	Category 4 and 5														
	Category 6 and 7														
2	<p>. <u>New Entrant - Clause 3.2. (iii), page 20</u> - The NIA explains that the bidders whose licenses are due for expiry in 2017-18 and whose spectrum in 800/ 1800 MHz bands has been put to auction (and does not hold spectrum bought through previous auctions in that LSA and band) will be treated as New Entrant.</p> <p>There could be a scenario, where the spectrum due for expiry in 2017-18, has been traded by such an operator to another licensee. In such a scenario the validity of the spectrum in the hands of the recipient licensee (under trading) will also be expiring and hence such a holder of spectrum should also be treated as a new entrant in the same way, unless the said licensee holds spectrum bought through other auctions. Kindly confirm this understanding.</p>														This understanding is confirmed
3	<p>Clause 9.9 – Frequency Identification Stage – Page 92 onwards</p> <p>While the NIA mentions that winners of spectrum will be provided contiguous spectrum based on their ranking and availability of contiguous spectrum, we would request another logic to be built into the Frequency Allocation algorithm. Same is explained below:</p>														3: a,b,c,d: No change in NIA is envisaged.

	<p>a. If a winner is eligible for contiguous spectrum and its current allocation is adjacent to the vacant spectrum being auctioned then that operator be given the adjacent vacant spectrum. This will reduce the cases for subsequent harmonization. Since the DoT has realized that there is benefit in having contiguous spectrum, then it should build the algorithm in a manner that maximum contiguity is provided with existing allocation as part of the frequency allocation stage.</p> <p>b. It is also suggested that this algorithm be also used for frequency allocation contiguity to administratively acquired spectrum, with a caveat that the Licensee will be able to use the contiguous spectrum for new technology after getting the administratively allocated spectrum liberalized.</p> <p>c. A diagrammatic representation of the same is given below</p>	<p>Harmonization exercise will be conducted periodically to provide contiguous spectrum as far as possible.</p>
	<p>c. A diagrammatic representation of the same is given below</p>	

	 <p>Diagram shows commercial allocation of 1800 MHz in a sample LSA distributed amongst six operators A to F</p> <p>It is proposed that :-</p> <ul style="list-style-type: none"> • If Operator 'A' wins Spectrum, he should be allotted frequencies in Block 1 of Vacant band • If Operator 'D' wins Spectrum, he should be allotted frequencies in Block 3 of Vacant band with the caveat that he can combine Block 3 and adjacent own spectrum block after liberalizing its administrative spectrum holding <p>d. The way it stands this could benefit two operators in every LSA, who are adjacent on either side to the blocks of vacant spectrum being auctioned.</p> <p>e. Page 102-103. Explanation of Best Fit algorithm – The sentence of sub para (iii) is incomplete. Same may be completed before we can comment on the same.</p>	<p>3e: Please refer Amendment No. 1 to NIA.</p>
<p>4</p>	<p>Kindly confirm that in compliance to relevant Supreme Court orders, whether all available spectrum for commercial use in 2500/2300/2100/1800/900/800/700 MHz bands is being put up for auction?</p>	<p>The NIA/ auction rules are compliant</p>

		with all relevant rules and orders
5	<p>The DoT is aware that the Spectrum allocation may be effective from different date in same circles based on the final frequency allocation.</p> <p>For e.g. In case of Maharashtra, there is a possibility that winner of 5 MHz may get allocation from block 'B' (4 MHz) which is immediately available and allocation from block 'C' (1 MHz) which is available from 30-Sep-17.</p> <p>a) Since, in context of current technology environment and the price of spectrum, the use of spectrum is for rolling out 4G based technology, the availability of any partial spectrum less than 5MHz, makes the partial availability redundant for any immediate usage. <u>In this regard, we suggest that the DoT ensure that the 'effective date' for entire 5 MHz block should only commence from the date when the entire 5MHz continuous block is made available. Please confirm.</u></p> <p>This is particularly relevant, because in many cases the minimum bid quantity is 5 MHz and in such a case assignment of this quantum at different times is totally unjustified. This is also essential to ensure that in future these 5 MHz blocks have the same expiry date, otherwise we will remain in a vicious cycle of partial spectrum with no use being assigned from time to time</p>	<p>NIA is self-explanatory and no change is envisaged in this regard.</p>
6	<p>Currently, based on the information available in the NIA, we understand that allotment of non-contiguous blocks is still being shown on some service areas like Gujarat. With reference to completion of spectrum harmonization :</p> <p>a) Please confirm all spectrum being put to auction would be continuous in all bands. E.g. In Gujarat, 5 MHz contiguous spectrum in 800 MHz is not available though the total spectrum available is 6.25 MHz In such cases where the spectrum is not continuous, please indicate the timeframe by when this would be made contiguous.</p> <p>b) Please refer to clause 12.2, Annexure B, page 124 – Please clarify as to why the spectrum cap shown for 800 MHz spectrum in Bihar LSA is 18.75 MHz while in the remaining circles the</p>	<p>6 a: Best efforts would be made to make the spectrum contiguous.</p> <p>6 b) Please refer Amendment No. 1 to NIA. Spectrum under litigation has not been put to auction.</p>

quantity is lower?

Now that the spectrum is harmonized, all LSAs should have the same spectrum availability. In fact based on our calculation given below, it appears that some quantum of 800 MHz is being retained by the DoT and not being put to auction in many circles. Please clarify.

	allocated		per	for	Use	Government
	(as per	CAP)	NIA	auction		
Delhi	17.50	13.75		2.50	16.25	1.25
Mumbai	17.50	16.25	3.75	5.00	17.50	0.00
Kolkata	17.50	13.75		2.50	16.25	1.25
Maharashtra	17.50	12.50	2.50	7.50	17.50	0.00
Gujarat	17.50	13.75	3.75	6.25	16.25	1.25
Andhra Pradesh	17.50	12.50	2.50	7.50	17.50	0.00
Karnataka	17.50	13.75		2.50	16.25	1.25
Tamil Nadu	17.50	13.75		2.50	16.25	1.25
Kerala	17.50	13.75		2.50	16.25	1.25
Punjab	17.50	12.50		6.25	18.75	-1.25
Haryana	17.50	15.00		1.25	16.25	1.25
Uttar Pradesh (West)	17.50	13.75		2.50	16.25	1.25
Uttar Pradesh (East)	17.50	12.50		3.75	16.25	1.25
Rajasthan	17.50	13.75	5.00	7.50	16.25	1.25
Madhya Pradesh	17.50	15.00		2.50	17.50	0.00
West Bengal	15.00	13.75		1.25	15.00	0.00
Himachal Pradesh	17.50	13.75		3.75	17.50	0.00

	<table border="1"> <tr> <td>Bihar</td> <td>18.75</td> <td>13.75</td> <td>2.50</td> <td>16.25</td> <td>2.50</td> </tr> <tr> <td>Orissa</td> <td>17.50</td> <td>13.75</td> <td>3.75</td> <td>17.50</td> <td>0.00</td> </tr> <tr> <td>Assam</td> <td>15.00</td> <td>12.50</td> <td>0.00</td> <td>12.50</td> <td>2.50</td> </tr> <tr> <td>North East</td> <td>15.00</td> <td>12.50</td> <td>0.00</td> <td>12.50</td> <td>2.50</td> </tr> <tr> <td>Jammu and Kashmir</td> <td>12.50</td> <td>12.50</td> <td>0.00</td> <td>12.50</td> <td>0.00</td> </tr> <tr> <td>Total</td> <td>373.75</td> <td>298.75</td> <td>17.50</td> <td>73.75</td> <td>355.00</td> </tr> </table> <p>c) On 800 MHz spectrum we need following clarification:</p> <p>i. Rajasthan – For MTS 5 MHz is expiring in September 2018, while spectrum put to Auction with availability date of Mar’18 is only 2.5 MHz Please clarify?</p> <p>ii. Punjab – For Quadrant Technology spectrum due or renewal is 2.5 MHz in Sep’17. However the annexure does not include any spectrum in Punjab with availability date of Sep’17. Please clarify.</p>	Bihar	18.75	13.75	2.50	16.25	2.50	Orissa	17.50	13.75	3.75	17.50	0.00	Assam	15.00	12.50	0.00	12.50	2.50	North East	15.00	12.50	0.00	12.50	2.50	Jammu and Kashmir	12.50	12.50	0.00	12.50	0.00	Total	373.75	298.75	17.50	73.75	355.00	<p>6 c (i): NIA is self-explanatory.</p> <p>6 c (ii): Annexure F has been amended. Spectrum referred in query is readily available for assignment</p>
Bihar	18.75	13.75	2.50	16.25	2.50																																	
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Assam	15.00	12.50	0.00	12.50	2.50																																	
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<p>7</p>	<p>Please refer to page 15 - 16 of the NIA, Clause 2.3 (iii)</p> <p>a) The first para of this clause states :</p> <p>“Spectrum blocks in the liberalized spectrum or acquired through auction(s) may be combined if required by technology and there are no restrictions on the technology to be employed for providing services within the scope of the service license, provided it is compatible with technology(ies) already deployed in the LS A.”</p> <p>It is not clear as to what is meant by the term “compatible with technology (ies) already deployed in the LSA.” Does it imply that it has to be compatible with the technologies deployed by the Licensee winning the spectrum or with the technologies deployed by other Licensees also? In any case in subsequent parts of this clause there is no restriction to the launch of four technologies –</p>	<p>7 a: There is no restriction to use the technologies viz: GSM, CDMA, WCDMA & LTE</p>																																				

<p>viz. GSM, CDMA, UMTS and LTE, then why have this clause?</p> <p>b) Clause 2.3 - Next part of the Para 1 states</p> <p>“The successful bidder shall provide details of the technology proposed to be deployed for operation of its services using spectrum block assigned through this auction within one month of obtaining the license, if the technology happens to be GSM/WCDMA/LTE/CDMA. In case of switching over to a different technology (other than GSM/WCDMA/LTE/CDMA), 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.”</p> <p>There is a change in the clause with respect to the clause in last NIA. In the earlier NIA, the clause “other than” was related to the initial intimation of technology to be used. This time the same has been shifted to the change of technology sentence. Based on this our query is:</p> <p>i. In case after intimation of the technology to be deployed within one month of issue of Frequency Assignment Letter, we want to change and deploy another technology after say one year, then as long as it is one of the four technologies mentioned, we would not be required to intimate about the change. E.g. On 2100 MHz, we intimate to you within one month that we would deploy UMTS technology. If after 9 months, we decide to launch LTE technology on same 2100 MHz, then do we need to inform DoT about the change in technology? As per our reading of the clause, same would not be required. Please confirm.</p> <p>ii. In case the answer is that we have to intimate about the change in technology, then it is assumed that it is only an intimation and does not require any approval and we can go ahead with the change as planned by the Operator. Please confirm.</p> <p>c) The following clause has been mentioned about change of technology:</p> <p>“In case of a change of technology, by the licensee following must be ensured:</p>	<p>7 b). It is clarified that only intimation is required & does not require approval if technology happens to be GSM/ CDMA/ WCDMA / LTE. The technology used should ensure the harmonious co-existence of all the operators in the particular band.</p> <p>7c: NIA is self-explanatory. QoS shall be as per relevant standards prescribed by TRAI/ Licensor</p>
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	<p>(i) Continuity of coverage, provisioning, delivery, quality of services in the network deployed with earlier technology. For withdrawal of service, the conditions prescribed in the respective Service License are to be followed. Further, the quality of service (QoS) is governed by the respective TRAI regulations. “</p> <p>The QoS is different for the various Technologies. On change of technology, the relevant QoS of the new technology will be provided by the Operator. Please confirm</p>	
<p>8</p>	<p>Need for change in Auction Design to prevent assignment of spectrum which cannot be put to use</p> <p>Please refer to Page 81, Clause 9.8.6, Para 2</p> <p>The above referred para states as follows - “During the Clock Rounds (other than the Final Round), when the result of the Rounds are declared, a bidder can be assigned any number of blocks “equal to or less than” what has been submitted at a Clock Round Price depending on the ranking. Hence, a bidder who is ranked last as a Provisional Winning Bidder might not necessarily get all the blocks for which he might have submitted his bid.” This last underlined provision can create unforeseen scenarios, which will defeat the objectives of the auction and saddle the bidders with spectrum which they cannot use.</p> <p>In 700, 2100, 2500 and 2300 MHz spectrum bands block size is in multiples of 5 MHz. However, in case of 800, 900 and 1800 MHz spectrum, the block sizes are 1.25 MHz and 0.2 MHz. Hence, this creates the following scenario, which needs to be avoided as this will defeat one of the objective of auction which is to “ensure efficient use of spectrum”. The problem is explained below with the example of Maharashtra :</p> <p>I. The total spectrum being put to auction in 1800 MHz is 13.4 MHz at a reserve price of Rs.318 crs per MHz</p> <p>II. Let us take a scenario where there are 3 bidders who are interested in acquiring 5 MHz blocks for launch of LTE services and none of them is interested in any quantity less than 5 MHz, as they cannot put it to any use at all, as all of them have sufficient spectrum for GSM.</p>	<p>No change is envisaged in the NIA conditions.</p>

	<p>III. In such a scenario in the first round itself there will be 3 provisional winners as under –</p> <table style="margin-left: 20px;"> <tr> <td>Bidder A</td> <td>-</td> <td>5 MHz</td> </tr> <tr> <td>Bidder B</td> <td>-</td> <td>5 MHz</td> </tr> <tr> <td>Bidder C</td> <td>-</td> <td>3.4 MHz</td> </tr> </table> <p>Now whatever be the bidding pattern (assuming no one is bidding more than 5 MHz), one of the 3 bidders A, B or C will be forced to take 3.4 MHz which at reserve price will have a value of Rs.1,081 crores (actual price will go higher if there is more bidding to get higher ranking). Thus the bidder who is left with 3.4 MHz block would block Rs.1,081 crores or higher and will not be able to use the spectrum at all.</p> <p>In this way there will be cases of blocked investment in spectrum which cannot be used by the winning operator at all, something the industry can ill afford when it is finding it difficult to buy spectrum which it wants given the high prices.</p> <p>Of course there is a possibility of operators who may be interested in getting less than 5 MHz spectrum to get their currently smaller blocks to a minimum quantum of 5 MHz with the expectation that the same will be harmonized and once the operator gets 5 MHz contiguous spectrum, it can deploy the same for LTE or any other new technology.</p> <p>In light of the above the following solution is proposed –</p> <p>All bidders should be allowed to specify for each combination of LSA and frequency (for spectrum bands 800 MHz, 900 MHz and 1800 MHz) –</p> <p>a. Whether they are interested in assignment of less than 5 MHz or not. This choice can be exercised at the time of putting each bid. Alternatively this can be made at the start of auction and be continued until changed by a subsequent choice before entering a bid for a new round. Alternatively the bidders can be allowed to specify the minimum quantity of spectrum (could be different from 5 MHz) below which they would not want the spectrum in a given band in a given LSA.</p>	Bidder A	-	5 MHz	Bidder B	-	5 MHz	Bidder C	-	3.4 MHz	
Bidder A	-	5 MHz									
Bidder B	-	5 MHz									
Bidder C	-	3.4 MHz									

	<p>b. In case the choice of the bidder is that they are not interested in assignment of less than 5 MHz (or any other minimum quantity specified by the bidder), then they should not be made provisional winner unless they can be provisionally assigned at least 5 MHz block. However, in such a case the demand of such a bidder should be considered for calculating excess demand, so that price can increase and such a bidder can bid at the higher price to get a provisional assignment of at least 5 MHz in subsequent rounds.</p> <p>c. In case the choice of the bidder is that they are fine with getting an assignment of less than 5 MHz, then such a bidder can be assigned less than 5 MHz based on the usual process.</p> <p>d. This change in auction design can be easily made by changing the logic of provisional assignment based on the choice made by the bidder as mentioned in point 1 above.</p> <p>This is most essential to ensure –</p> <ul style="list-style-type: none"> • Spectrum is efficiently utilized • Operators are not saddled with spectrum which they do not want and are not bidding for because of the faulty auction design • Investments are not made in spectrum which cannot be used, something the industry can ill afford when the market leaders are unable to recover their cost of capital after over 20 years of operations. 	
9	<p><u>Anomalies and Inconsistencies in Price Increments across Bands</u></p> <p>Tables C1 to C7 of Annexure C (Section 12.3) provide for price increment for different rounds. These tables are made based on number of blocks for each spectrum band. However the block size is very different for different bands and hence the tables as proposed are causing significant inconsistencies in price increase across bands. This is shown in the table below –</p>	

Excess Demand	2016 Auction – Price Increment as per NIA				2016 Auction (Proposed) **
(Taken as half for 2300 / 2500)	Table C.2 800 MHz	Table C.3 & C.4 - 900 & 1800 MHz	Table C.5 2100 MHz	Table C.6 & C.7 2300 & 2500 MHz	
Negative or Zero	0%	0%	0%	0%	0%
Zero	0.5%	0.5%	0.5%	0.5%	0.5%
1 MHz	0.5%	0.5%	Na	na	1%
2 MHz	1%	1%	Na	na	1%
3 MHz	2%	2%	Na	na	1%
4 MHz	4%	4%	Na	na	1%
5 MHz	4%	7%	1%	1%	1%
6 MHz	7%	10%	na	na	2%
7 MHz	10%	10%	na	na	2%
8 MHz	10%	10%	na	na	2%
9 MHz	10%	10%	na	na	2%

Please refer Amendment No. 1 to NIA.

10 MHz	10%	10%	2%	5%	2%
11 MHz	10%	10%	na	na	3%
12 MHz	10%	10%	na	na	3%
13 MHz	10%	10%	na	na	3%
14 MHz	10%	10%	na	na	3%
15 MHz	10%	10%	4%	10%	3%
16 MHz	10%	10%	na	na	5%
17 MHz	10%	10%	na	na	5%
18 MHz	10%	10%	na	na	5%
19 MHz	10%	10%	na	na	5%
20 MHz	10%	10%	7%	10%	5%
21 MHz and over	10%	10%	10%	10%	7%

Note : In the column 2016 Auction (proposed), the quantum of 2300 MHz and 2500 MHz should be suitably adjusted for these being unpaired spectrum bands

To avoid this anomaly, we have proposed the % price increase which can be uniformly used across all bands based on excess demand in MHz in the last column of the table above.

a. Another issue is the cap on maximum price increase.

The NIA states in Tables C.1 to C.7 that –

“The Price Increment calculated for an LSA in a band cannot exceed the Reserve Price of the LSA in that band (Refer Table A... of Annexure A, Section 12.1 to this NIA), which will be the maximum possible absolute price increments”. It may be noted that this level of price increase is very high. As an example, if we take 800 MHz band in Mumbai, the quantity being put to auction is 5 MHz and the reserve price of 5 MHz is Rs.3,635 crs.

Based on the current table, if there is bid for 12.5 MHz, the price increase applicable will be 10%. Assuming 3 rounds of bidding by 3 bidders, the price increase will be as under –

Round	Round Price (Rs. Crs)	Price Increase (Rs. crs)
1	3,635.0	363.50
2	3,998.5	399.85
3	4,398.4	439.84

If we look at these levels of price increases of Rs.363 crs to Rs.440 crs per round, these are extremely high and resulting in unduly accelerated increase in price (in 3 round the price increases by ~ Rs.1,200 crs), which is contrary to the objective of a fair market price discovery of the spectrum. There could be multiple decision points for different bidders in between the round price for 2 consecutive rounds (e.g. Bidders may have different decision points between 2 consecutive round prices of Rs.3,998.5 crs and Rs.4,398.4 crs and that choice should be given to them at shorter price intervals).

Given that the spectrum prices in India are already very high, we suggest that the increase in price per round should not exceed Rs.100 crores for any band and LSA combination. This will not prevent the discovery of true market price. It may increase the period of the auction a bit, but that is acceptable given that it will result in a fair price discovery.

Hon’ble Supreme Court had directed that all spectrum should be auctioned so that it is given at market price rather than an administered price. This policy has been rightfully adopted by the government. However, it is our experience that the auction design actually is driven more towards getting maximum value for spectrum rather than discovering a fair market value of the

	<p>spectrum and the level of price increase per round and the related cap is an example of such a design. We earnestly request that the increase in price per round should be capped at Rs.100 crores per round.</p>	
10	<p><u>Please refer to page 64 of the NIA, Clause 9.5 with regard to block sizes.</u></p> <p>The Clause states that “**The existing holder of spectrum only in 1800 MHz band, has to bid as new entrant in 900 MHz band”. In 900 MHz band, less than 5 MHz spectrum is available in each LSA. Hence, with this condition, there may be only one or two eligible bidders in each LSA. Hence, this condition needs to be removed. Please confirm.</p>	<p>Please refer Amendment No. 1 to NIA.</p>
11	<p><u>Roll Out Obligations – Clause 8, Page 46 Onwards</u></p> <p>a. Please confirm that if existing / new entrant completes all 5 phases of rollout obligations in 900/1800 MHz, basis the spectrum taken by him in earlier auctions, the said licensee would not be required to re-offer his network for any further roll-out obligations for any spectrum acquired in any band 700MHz/800MHz/900MHz/1800MHz/2100MHz/2300 MHz/2500 MHz in the forthcoming auction, irrespective of the technology he deploys post acquiring such spectrum.</p> <p>b. With reference to the above, please also confirm that above clarification would be valid for spectrum acquired in 2104 and 2015 auctions also.</p>	<p>Rollout obligations for 700 MHz/ 800 MHz/ 900MHz / 1800 MHz are different from the rollout obligations for 2100 MHz/ 2300 MHz / 2500 MHz</p> <p>However, if coverage criteria of the required number of DHQ/ BHQ/ rural SDCAs as applicable have been fulfilled by utilising the spectrum acquired in</p>

		2010,2012, 2013, 2014, 2015 auction, the same will be counted towards rollout obligations
12	<p>Please refer page 87 of the NIA – clause 9.8.9 on length of clock round.</p> <p>Since the proposed auction covers 22 circles for 700 MHz, 19 circles for 800 MHz, 04 circles for 900 MHz, 21 circles for 1800 MHz, 22 circles of 2100 MHz, 16 circles of 2300 MHz and also 22 circles of 2500 MHz, we suggest that the duration of the clock round should be kept at least 1.30 hrs on the first day. Thereafter it should be maintained at 1 hour for all rounds. In case the combination of bids comes down to less than 10 for 4 consecutive rounds, the time can be reduced to 45 minutes with a break of 15 minutes so that at least 60 minutes time is available between starting time of 2 consecutive rounds. Please confirm?</p>	Please refer Amendment No. 1 to NIA.
13	The current gap between the mock auction and start of auction is only one working day. It is suggested that a gap of 3 working days is provided between the two to take care of any actions to be taken by the auctioneer or the bidders.	Please refer Amendment No. 1 to NIA.
14	In Page 96 and other pages which provide the method of allocation of spectrum, the term “best fit” has been used multiple times. The logic for deciding “best fit” should be clearly explained in the NIA.	Logic is explained in Section 9.9; page 102-103.
15	With multiple bands being put up for auction, there is a need to improve the bidding screen for ease of bidding. The auctioneer had explained that there will be a concept of watch list whereby a bidder can select the combination of bands and LSAs which each	

	<p>bidder would like to track, which is a useful feature. However, the following may please be additionally provided.</p> <p>a. In the screen for each round, a bidder should be able to filter the display based on a band or alternatively based on a LSA.</p> <p>b. The same facility of filtering should also be allowed in the “watch list screen”</p> <p>c. All screens should have headers frozen so that as one scrolls down the screen the headers continue to be visible.</p> <p>d. More feedback can be provided during the mock auction and the auctioneer should be able to make further improvements if a gap of 3 days is provided between the mock auction and the start of main auction.</p>	<p>Functionalities suggested at a,b & c are available now.</p> <p>d: A preview of EAS to the shortlisted applicant will be made available after 23 Sept 2016.</p>
16	<p>Kindly refer to page 17 of the NIA - clause 2.5, regarding Duration. It was clarified during the pre- bid conference that the Government intends to issue frequency assignment within 30 days or as per date of availability of spectrum (in case of expiry spectrum). In view of the same, we request that the Effective date of spectrum assignment should be from the date of Frequency assignment letter and not from the 31st date of upfront payment. Pl. confirm.</p>	<p>No change in NIA conditions.</p>
17	<p>Also with reference to the above, please specify that frequency assignment means “allotment of spectrum for commercial use”.</p>	<p>Yes</p>
18	<p><u>Kindly refer to page 59 of the NIA - Clause 9.1.3 of NIA,</u> last para – regarding reconfiguration of frequencies.</p> <p>a. Please confirm all the scenario and circumstances under which re-configuration of frequencies would be permitted and also the time frame for WPC approval in such cases.</p> <p>b. We presume that this clause has been added so that the DoT can carry out Harmonization subsequent to the completion of auction. Please confirm.</p>	<p>Pls refer response to query at 6a.</p>

	<p>c. It is strongly recommended that immediately after the auctions are completed, the next round of exercise of harmonization especially in 1800 MHz band be carried out. This would be in line with the DoT's acceptance that contiguous spectrum provides better efficiency in its use. Considering that the harmonization is now only to be exercised within the available spectrum with DoT and no reference or adjustment with Defence is any longer required, and all Licensees are aware of the benefits of harmonization, it should be possible to carry out the harmonization before the Licensees roll out the Network. We would request DoT to lay down a time line for harmonization in the NIA itself. Please confirm.</p>	
<p>19</p>	<p>Refer Annexure 12.10, page 147 Annexure J: Format for Earnest Money Deposit para 4 & 5 states –</p> <p>Para 4- This guarantee will remain in force up to 30th April 2017, further extendible by another six months on your request and any demand in respect thereof should reach the Bank not later than the date up to which this Bank Guarantee is valid.</p> <p>Para 5 - Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to <Amount in figures> and our Guarantee shall remain in force until nine months from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e. 30th April 2017, all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities there under.</p> <p>Request the DoT to kindly confirm that Nine months mentioned in Para 5, should be changed to six months and date of claim should be 30-Oct-2017.</p>	<p>Please refer Amendment No. 1 to NIA.</p>
<p>20</p>	<p><u>Refer Annexure 12.15, page 163, clause 10 – Bank Guarantee</u></p> <p><i>In case where the Bank Guarantee issuing branch is not located at the station/city as required by the Licensor, any notice for invocation, sent by Licensor through Fax to the branch of the Bank</i></p>	<p>The bank branch should be located in the city where the CCA office (of the LSA) is</p>

	<p><i>issuing the Guarantee, with an ink signed copy to local branch in the service area of the Licensee, namely (NAME & ADDRESS OF BRANCH OF BANK) (to be designated by the bank at station/city prescribed by the licensor) within the validity period shall be deemed to be a valid notice on the bank for invocation of this bank guarantee.</i></p> <p>Kindly confirm by what time DoT will intimate the detail of local branch location of Bank in the Service Area.</p>	<p>situated.</p>
<p>21</p>	<p>Queries regarding Spectrum Availability :</p> <p>a. Assam. Spectrum available for auction in 1800 MHz as given in Annexure A – Table A4, Page 120 is 18 MHz, while the same is mentioned as 19.8 MHz in Page 17 of Annexure F (Where Carrier Wise Details are given). Please confirm as to what is the correct amount of spectrum available for auction.</p> <p>b. Karnataka. As per our data, 3.6 MHz in 1800 MHz is available in partial service area in Karnataka post harmonization, but the same has NOT been put up for auction. Please confirm if this spectrum is available for auction.</p> <p>c. Vacation of Spectrum by BSNL in 800 MHz (Page 9 & 10 of Annexure F). What is the date of vacation of spectrum in 800 MHz by BSNL?</p>	<p>21 a. Please refer Amendment No. 1 to NIA.</p> <p>21 b. No partial spectrum has been put for auction in Karnataka LSA.</p> <p>21c. This spectrum is available for allotment after the auction event.</p>

	<p>d. It is requested that the spectrum allocation to all Licensees in all bands be included as part of the NIA or be put up on the DoT web site. This will help us also to analyze the availability of spectrum. This is important given the recent spectrum trading deals between some of the operators.</p>	<p>21d: Spectrum holding of all licensees has been placed on the WPC website linked to DoT website</p>
22	<p><u>Interference from 800 MHz to 900 MHz</u> - The DoT is aware that since the uplink and down link of the 800 MHz band and the 900 MHz band are reversed, Licensees in 900 MHz band face severe interference from the operations of Licensees of 800 MHz band. The suggested solutions in this regard is that the last carrier closest to 900 MHz band (viz. 887.205 – 888.435 MHz) be kept as a Guard band between 800 MHz and 900 MHz spectrum bands to reduce interference. Request the DoT to kindly frame a policy in this regard, before the conduct of the auction.</p>	<p>No change in NIA in this regard.</p> <p>Carrier details are as per Annexure F of Amendment 1 to NIA.</p>
23	<p>Query relating to power Output of a 3G Node B –</p> <p>Currently the spectrum allocation letter issued by the WPC Cell for 2100 MHz, stipulates the following as the usage of the allocated spectrum as “2/20W power, emission 5M00G7W.” This implies that the radiation of the Node B cannot exceed 20 W. While the WPC has changed the channelling plan from 200 KHz to 5 MHz to cater for the change in technology, they have not taken into account the power requirement with the change in technology. In this regard it is submitted that :</p> <p>a. There is significant difference between GSM (narrowband technology) and 3G (broadband technology) which necessitates different treatment of RF Power related to these technologies. GSM has continuous power transmission irrespective of the traffic in the BTS, while 3G has discontinuous power transmission and only pilot power, which is typically 10% of the total transmit power, is continuous and total power transmitted is based on the amount of voice and data traffic in the Node B. Also, in LTE, MIMO is the basic functionality and transmit power should be minimum 20W+20W.</p>	<p>This suggestion is under examination separately.</p>

	<p>b. 3G as a wideband technology needs higher transmit power for coverage & capacity. Global deployments in US, Europe, China and APAC markets for 3G are using 40W to 80W of transmit power in the Node B irrespective of bands (900 or 2100) as increase in power is a means to increase the capacity of the Node B in 3G and thus improve customer experience.</p> <p>c. Power density (RF power per MHz) in 3G is much lower than GSM even when Node B RF Power is 60W/80W. Both calculation method and field measurement results for a heavy loaded site have shown that the EIRP/EIRPth values of 60W/80W power of 3G sites are well within the limits of EMF guidelines prescribed DoT. We have shared detailed measurements / calculations on this to DoT in the past for relaxing the present guidelines.</p> <p>In view of the above request DoT to confirm whether, TSPs would be allowed to configure transmit power in 3G Node B beyond 20W (up to 80W), irrespective of frequency bands, while maintaining compliance to the EMF norms.</p>	
24	<p><u>Interference in allocated spectrum won in Auction.</u> We are already faced with a situation in 3G & 2G, where the spectrum allocated after auction and taken at a high cost is unusable in some service areas (J&K, Punjab, Gujarat) due to interference. Please confirm that the Government would plan to provide alternate interference free spectrum in LSAs where we are facing interference, before the current auction.</p>	<p>The government has no plan to provide alternate spectrum in the referred LSAs</p>
25	<p>What action does the Government propose in case interference in auctioned spectrum makes commercial use of spectrum not feasible?</p>	<p>All spectrum being put to auction is interference-free.</p>
26	<p>Clause 9.9: Frequency identification stage – 1800MHz We are grateful to the DoT for completing the 1800MHz harmonization and increasing the supply in the auction. However, as agreed during harmonization sign-off, it's very important to carry out the post-auction harmonization. We request DoT to commit a date by which post auction harmonization will be done. In fact it will be better if DoT does the harmonization before issuing the frequencies acquired in the ensuing auction. We request DoT to please clarify the harmonization time schedule. This will give certainty to the bidders and lead to more</p>	<p>Please refer to response at Sl No 3 & 6.</p>

	informed bidding.	
27	<p>Clause 9.8.9: Length of clock rounds and extension periods The Clause states that “<i>The auctioneer can reduce the round duration to 30 min after 4 consecutive rounds where bidding is in less than 10 LSA band combinations and subsequently to 15 minutes after 4 consecutive rounds where bidding is in less than 3 LSA band combinations.</i>” In the last auction there were only 4 bands, which also provided many challenges, as bidders had to assess the various permutations and combinations. In this auction there are 7 bands which further increases the complexity manifold. In addition there will be time taken to make necessary entries in the system. Further, lower activity in earlier rounds does not necessarily mean lower activity in a current round. The stakes are very high in a spectrum auction. One mistake in entering bid due to time pressure can lead to very costly setback, both monetarily and strategically for a bidder. It will be impossible follow all the required steps in 30/15 minutes. We therefore request DoT and the auctioneer to not create unnecessary pressure and haste for the bidders and continue with 60 minute rounds even where activity is in less than 10 LSA band combinations and even where bidding is in less than 3 LSA band combinations.</p>	Please refer to response at Sl No 12.
28	<p>Clause 9.9: Frequency identification stage – 2100MHz In its recommendation TRAI had said if the TSP already having spectrum in the 2100MHz band, acquires additional carrier, it should be ensured that all its carriers are contiguous. In the NIA, DoT has not mentioned anything in this regard. We would request that the same to be implemented, at least in service areas where there is no issue of external cross border interference. Such contiguity will an important factor for which clarification is required.</p>	Please refer to clause 9.1.3 of NIA. No further change is envisaged.
29	<p>Clause 8.1: Rollout obligations Clause 8.1.4 of NIA states that the requirement of rollout obligation shall be treated as fulfilled once the required number of district headquarters or block headquarters are covered by use of any technology in any band by a licensee. In this regard, we have the following queries i. Most of the existing operators have already fulfilled or are in the process of fulfilling the coverage requirements for the purpose of rollout obligations under the respective existing allocations/ earlier NIAs, and most of the utilisation of the spectrum acquired in the ensuing auction will be for the capacity growth. It is therefore understood that clause 8.1.4 means that rollout obligations will be considered</p>	Please refer to response at Sl No 11.

	<p>fulfilled if the licensee has met the rollout in any technology in any band using any existing assigned /acquired spectrum. Further, this clause is equally applicable to both Metros and Non-Metros. DoT may kindly clarify and confirm the same</p> <p>i. The rollout obligation for 700MHz band in the metro LSAs, has been prescribed at 90% coverage of the LSA within one year and in case of other than Metro LSA at 10% DHQs by end of year 1, 50% DHQs and 10% BHQs by end of year 3 and further /additional 10% BHQs each by end of year 4 and year 5 respectively. The initial rollout provision for 1-3 years is a very strict provision, given the handset ecosystem support for 700MHz band is in its infancy. Therefore, for 700MHz band the rollout obligation period for the Metro and Non Metro should be similar to 2300 and 2500 band i.e. 5 years. Pl. consider and clarify.</p> <p>i. We note that Clause 8.1.1 (f) of the NIA states that coverage of Block Headquarters already achieved in accordance with stipulation in clause 8.1.4 below will be treated as a part of compliance towards roll out obligation. Therefore, we request DoT to clarify that</p> <p>a. Clause 8.1.1(f) will be applicable in case of coverage of both District Headquarters as well as Block Headquarters already achieved in accordance with stipulation in clause 8.1.4 below will be treated as a part of compliance towards roll out obligation..</p> <p>b. In view of Clause 8.1.4, in case of 700 MHz rollout obligation in Metro and Other than Metros LSAs, the licensees can take credit of rollouts obligations already fulfilled by them in any other band, even if it is pursuant to previous auctions/earmarking. Otherwise, keep the rollout obligation for 700 band in Metro and Non Metro LSA as 5 years, same as 2300 and 2500 bands.</p> <p>v. We believe that the said clause 8.1.4 obviates duplication of any rollout obligation in case rollout obligation is met under any technology or any band, even where such rollout obligation has been met for the spectrum acquired earlier under the previous NIAs and/or previous earmarking. Please confirm for Other than Metro LSAs and Metro LSAs.</p> <p>v. In previous NIAs, it was specifically provided that existing licensees could offer coverage already achieved as a part of compliance towards rollout obligation in the corresponding band, i.e. the licensee was only supposed to fulfil remaining obligation for that band i.e. for the remaining phases. We request confirmation from DoT that such credit of rollout obligations fulfilled previously will be allowed for the rollout obligation under the current NIA also.</p>	
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	<p>Further such credit is extended for the rollout for spectrum being now put for auction under the 8 August 2016 NIA, where existing rollout will be considered irrespective of band and technology. Hence rollout already achieved under any band will be given credit for the rollout obligation of any band won in the ensuing auctions and this will be irrespective of technology. Please confirm.</p> <p>i. We are also providing some illustrations and request you to confirm each one of them in 'Yes' or 'No' with reason:</p> <p>A. An operator has already fulfilled rollout obligations in a Metro LSA in existing 900/1800MHz band. If it acquires spectrum in say only 700 and /or 800MHz band (as New Entrant i.e. at present it is not holding any spectrum in 700MHz or 800MHz band) in the ensuing Auction, then such operator is not required to fulfill any rollout obligation on 700MHz or 800MHz band, as it has already met rollout obligation in existing spectrum in 900/1800MHz band. DoT is requested to kindly confirm the same.</p> <p>B. An operator has already fulfilled rollout obligations of 10% DHQs and 50% DHQs in 'other than Metro LSA' in existing 900/1800MHz band in 2G technology. Assuming it acquires spectrum in only 800MHz band (as New Entrant i.e. at present it is not holding any spectrum in 800MHz band) in the ensuing Auction, then following queries need to be answered:</p> <p>a. Such operator will not be obliged to fulfill rollout obligation on 800MHz band in 10% DHQs and 50%DHQs, as it has already met rollout obligation with existing 900/1800MHz band and further /duplicate rollout in 800MHz band is not required for rollout obligation purpose. DoT is requested to kindly confirm the same.</p> <p>b. If such licensee fulfills Phase 3, 4, 5 rollout requirements in given time frame, as per respective NIA, in future with existing 900/1800MHz band, then it will not be required to fulfill any rollout obligation on 800MHz band as the rollout has already been achieved using any technology [2G/GSM] in any band [900/1800MHz]. In our view further rollout in 800MHz band is not required for rollout obligation purpose. DoT is requested to kindly confirm the same.</p> <p>c. An operator has already fulfilled rollout obligations of 50% DHQs in 'other than Metro LSA' in existing 2100MHz band in 3G technology (equivalent to Phase 1 in the current NIA for 2100MHz). Assuming it also has existing 900/1800MHz band and has offered 20% DHQs (other</p>	
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than the one offered in 2100MHz for Phase 1) for rollout and has fulfilled rollout requirements for these 20% also, then

- Such licensee will not be required to provide further rollout obligation of 10%DHQ/50% DHQ on any 700MHz or 800MHz or 900MHz or 1800MHz or 2100MHz band spectrum which it may win in the ensuing auction, In our view further rollout in any of these bands is not required for 10%DHQ/50%DHQ rollout obligation purpose. DoT is requested to kindly confirm the same
- Such licensee will not be required to provide rollout obligation of Phase 2 and Phase 3 obligation in respect of 2100MHz on any band if it wins 2100MHz in the ensuing auction. In our view further rollout in any of these bands is not required for such Phase 2 and Phase 3 rollout obligation purpose as the same has already been met through 900/1800MHz as illustrated above. DoT is requested to kindly confirm the same
- Please confirm if following illustration for a Metro LSA correct and no further rollout obligation will be required in these cases:

Nature of Spectrum	900/1800M Hz Administratively Allocated	1800MHz 2014-15 Auctions	2100M Hz 2010 Auctions	2300M Hz 2016 Auctions	700MHz 2016 Auctions
Rollout Obligation	90% of Metro	90% of Metro	90% of Metro	90% of Metro	90% of Metro
Status of Fulfilment	Yes	Yes – through transfer of test certificates	Yes	NA	NA
Requirement under 2016 Auctions	NA	NA	NA	Not required, as already achieved	Not required, as already achieved

Nature of Spectrum	2100MHz 2010 Auctions	800MHz 2016 Auctions	2300MHz 2016 Auctions
Rollout Obligation	90% of Metro	90% of Metro	90% of Metro
Status of Fulfilment	Yes	NA	NA
Requirement under 2016 Auctions	NA	Not required , as already achieved	Not required , as already achieved

- Please confirm if following illustration for Other than Metro LSA correct and no further rollout obligation will be required in these cases:

Nature of Spectrum	900/1800 MHz Administratively Allocated	1800MHz 2014- 15Auctions	2100MHz 2016 Auctions	700MHz 2016 Auctions
Rollout Obligation	10% DHQ in one year (Say 10 Number) 50% DHQ in 3 years (Say 50 Number)	10% DHQ in one year (Say 10 Number) 50% DHQ in 3 years (Say 50 Number)	Phase 1 - 50% DHQ (with 15% rural SDCA within 3 years) Phase 2 - Additional 10% DHQs in 4 years Phase 3 - Additional 10% DHQs in 5 years	Phase 1 -10% DHQ Phase 2 - Coverage of 50% DHQs in 3 years Phase 3 - 10% BHQs Phase 4 - Additional 10%BHQs Phase 5 - Additional 10% BHQs

		Status of Fulfilment	Yes	Yes – through transfer of test certificates	NA	NA	
		Requirement under 2016 Auctions	NA	NA	Not required for Phase 1, as already achieved in 900/1800M Hz (assuming 15% rural SDCA covered in 900/1800M Hz)	Phase 1 and Phase 2 not required as already achieved in 900/1800MHz	
30	<p>Since under 8.1.4, as a policy, rollout is sufficient if it is shown in any band and any technology, we request that since for 2300MHz and 2500MHz the geographical area is rural SDCA, if under any band/technology a rural SDCA is already covered then the same shall be counted for rollout obligation of 2300MHz/2500Mhz band. Please confirm.</p>						<p>Yes. The details of coverage of the required SDCA has to be registered with the TERM cell where 10 % check can be done by TERM cell.</p>
31	<p>How will existing rollout in 900/1800/2100MHz band, which is at DHQ/BHQ level be applied towards rollout obligations in 2300/2500MHz bands which are at an SDCA level in the context of Clause 8.1.4.</p>						<p>Please refer to response at Sl No 11</p>

32	<p>Clause 2.3: Technology Clause 2.3 states that “Existing licensees will be allowed to use the additional spectrum blocks assigned through this auction to deploy any technology other than GSM/CDMA, by combining with their existing spectrum holding in the same band after converting their entire administratively assigned spectrum into liberalized spectrum in the same band. This clause has remained the same since NIA for February 2014 auction. However, in the query number 251 of queries and responses for February 2014 auction, it had been confirmed that the liberalization of administratively assigned spectrum will be required only if an operator wanted to combine the spectrum procured in the auction with administratively assigned spectrum held. If an operator has both administratively assigned spectrum as well as spectrum acquired from previous auctions, the operator can combine the blocks assigned through this auction with the spectrum acquired from previous auctions. Request you to confirm the above for this auction also.</p>	<p>NIA is self-explanatory. Liberalisation is required for combination.</p>
33	<p>Annexure J - Format of EMD Bank Guarantee has the following clause “Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to <Amount in figures> and our Guarantee shall remain in force until nine months from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e. 30th April 2017, all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities there under.” There is a contradiction in the above provision inasmuch as while the second line states that the validity of the guarantee is to be 9 months from the date of issue, the third line specifies a date - 30th April 2017. This clause is not contradictory only if the guarantee is issued on 30th September 2016 which cannot be the case as the auction itself commences on the 29th and the application would have been submitted earlier. We request DoT to kindly correct this anomaly.</p>	<p>Please refer to response at Sl No 19.</p>
34	<p>As had been done before previous auctions, request DoT to publish the latest operator wise spectrum holding as on date before the auction. Kindly provide this information since the latest information is not a public information and there have been changes due to trading etc.</p>	<p>Please refer to response at Sl No 21 d.</p>
35	<p>Clause No 3.2 Associated Eligibility Conditions</p>	

	<p>Clause Text</p> <p>(i) Existing CMTS/UASL/UL (AS)/UL with access service authorisation licensees shall be treated as 'New Entrant' in those LSA(s) for the frequency bands in which they do not hold spectrum at present. In other words, CMTS/UASL/UL (AS)/UL with access service authorisation licensees who hold spectrum only in a particular LSA are also allowed to participate in the auction as 'New Entrant' in that LSA for the frequency band in which they do not hold spectrum at present. Their eligibility to bid for spectrum blocks in that particular LSA will be that of a new entrant. They will also need to comply with conditions for spectrum assignment and other prescribed conditions such as rollout obligations, FBG etc. For this Purpose, 900 MHz and 1800 MHz Bands are considered as same band.</p> <p>(ii) Existing CMTS/UASL/UL(AS)/UL with access service authorisation licensees shall be treated as 'Existing Licensee' in those LSAs for the frequency bands) in which they already hold spectrum. Their eligibility to bid for spectrum blocks will be that of an existing operator. For the limited purpose of this provision, 900 MHz band, 1800 MHz band will be treated as the same band.</p> <p>(vii) Net Worth requirements: Bidders are required to show a net worth of Rs.100 crores per LSA (Rs.50 crores each for J&K and North East LSAs), in which bidder wants to submit bids. The net worth requirement is applicable in case of 'New Entrants' and the same is not applicable in case of existing licensees.</p> <p>Note:</p> <p>a) <i>The requirement of net worth (100 crores/ 50 crores) to be shown is per LSA (and not band) for such LSAs in such bands, where that bidder is a new entrant. Therefore, a bidder, who is a new entrant in all or any of the bands (700, 800, 1800/900, 2100, 2300, 2500 MHz) will need to show a net worth of 100 crores (or 50 crores in case of NE, J&K) only for bidding in all/any of the bands.</i></p> <p>b) <u>Further, an existing licensee with negative net worth and holding spectrum in say 1800 or 900 MHz band, can bid in 900/1800 band. But, such a bidder will not be eligible to bid in 700 MHz, 800 MHz, 2100 MHz 2300 MHz, or 25 00 MHz bands.</u></p> <p>c) <i>The definition of net worth shall be as defined in the Companies Act 2013 and as</i></p>	
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	<p><i>amended from time to time. However, for participation in the auction for assignment of spectrum, the net worth of only those promoters shall be counted who have directly in their name(s) at least 10% equity stake in the total equity of the company. This net worth requirement is to be met at the time of application for participation in the auction. The applicant shall submit a certificate to this effect signed by the Company Secretary or authorized signatory of the Company while applying for participation in Auction</i></p> <p>Clarification sought</p> <p>It is noted that for</p> <ol style="list-style-type: none"> a. An existing licensees who has been serving customers for more than 10 years and b. Has negative net worth and <ul style="list-style-type: none"> • wishes to provide services by means of bidding for a new spectrum band OR • wishes to continue services by means of bidding for its existent spectrum being put to auction for renewal c. does not obtain + ve net worth by means of "counting" of promoter's net worth via note (c) of 3.2 (vii) then d. said licensee would be restricted from bidding for such spectrum bands either for new service or continuation of existing service. e. Further,Auction objectives are <ul style="list-style-type: none"> • Stimulate competition in the sector; • Promote rollout of the respective services; • Maximise revenue proceeds from the Auctions within the set parameters. • it is feasible that this "restriction" on existing licensee in order to bid for such spectrum bands either for new service or continuation of existing service may be considered as detrimental to objectives listed above. <p>Please Clarify that</p>	<p>Existing licensees bidding for new band or bidding for renewal of spectrum need to fulfil eligibility criteria for net worth as prescribed in NIA.</p>
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	<p>f. Said existing licensee with negative net worth would be allowed to bid for such spectrum hands by suitable amendment in the NIA in order to facilitate achievement of the aforementioned auction objectives.</p> <p>g. The amendment to clause 3.2(i) to extend level treatment for all spectrum bands which would be similar to consideration granted to 900MHz and 1800MHz would be granted.</p> <p>Further,</p> <p>We understand that net worth requirement is essentially a condition for a new Licensee to validate ability to rollout network etc. Since existing licensee have rolled out services, they should be permitted to bid for new bands to provide competitive services using other technologies. Existing licenses might not be in a position to maintain a positive net worth during each quarter throughout the operational life. Thus we request that this net-worth requirement for existing licensee or renewal licensee be waived off.</p>	
<p>36</p>	<p>5.8 Breach, revocation and surrender</p> <p>If at any stage, the spectrum assignment is revoked, withdrawn, varied, surrendered or curtailed no refund will be made. The Bank Guarantees may also be invoked to recover any payable dues.</p> <p>Please Clarify that if</p> <p>a. bidder has opted to make payments via Deferred payment option and</p> <p>b. spectrum assignment is revoked, withdrawn or surrendered</p> <p>then</p> <p>a. upon spectrum assignment being revoked/withdrawn/surrendered, the remainder instalments which were to be paid for continued assignment of spectrum would be waived off</p> <p>b. Financial Bank Guarantee securitizing the remainder instalment would be released (as per</p>	<p>Action will be taken as per conditions prescribed in NIA.</p>

	Clause 6.1.b.vi)	
37	<p>5.6.2 Sharing allowed only after one year:</p> <p>Further, TSP will be allowed to share spectrum in a particular band only after one year from the date of frequency Assignment' in that band acquired through this auction. Other terms and conditions of sharing guidelines shall also remain applicable. In case no spectrum is acquired in that band through this auction, then this condition will not be applicable.</p> <p>We request the DOT that if</p> <p>a. bidder has an ongoing spectrum sharing agreement with another TSP for a particular spectrum band and</p> <p>b. bidder's spectrum in the specific band being shared is put to auction for renewal</p> <p>c. bidder acquires the right to use of spectrum in same spectrum band</p> <p>then</p> <p>a. bidder would be permitted continuity even within first year of allocation of its pre-existing spectrum sharing arrangements in order to provide services to the customer upon renewal.</p> <p>Further We request that similar continuity should be permitted for additional spectrum purchase in an existing spectrum band.</p>	<p>Existing sharing agreement are not subject matter of this NIA.</p> <p>Any spectrum which has been included in this auction will be governed by the terms and conditions prescribed in this NIA.</p>
38	<p>2.1 Spectrum to be auctioned</p> <p>Rights to use spectrum at specified frequencies in the 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz bands (subject to fulfilment of eligibility conditions, relevant licence conditions and any particular conditions pertaining to specific frequency blocks) for a period of twenty (20) years from the 'Effective Date' (as defined in Section 2.5) are being offered in this Auction. The details of Frequency spots are attached as Annexure F of Section 12.6 and shall be a part of this NIA.</p> <p>Please clarify that</p> <p>Whether the Government will provide clean and interference free spectrum in the 2100MHz spectrum band before Auctions to existing operators with extremely inference</p>	<p>Please refer to response at Sl No 24.</p>


	prone spectrum in various LSAs, such as Punjab for Aircel?	
39	<p>12.1 Annexure A: Details of Spectrum put to auction</p> <p>Table A4: 1800 MHz Band</p> <p>Please clarify that a. Aircel's 1.8MHz spectrum reserved as per Judgment of Hon'ble TDSAT has been kept out of spectrum quantum being put to auction</p>	39 a. Spectrum under litigation has not been put to auction.
40	<p>12.1 Annexure A: Details of Spectrum put to auction</p> <p>Table A3: 900 MHz Band</p> <p>& Annex F Carriers 900MHz</p> <p>Please clarify that a. 900MHz Spectrum indicated in the Annex F in Haryana and Karnataka would not be put in the Auction</p>	<p>Please refer Amended Annexure F.</p> <p>No spectrum is being auctioned in 900MHz in Haryana, Karnataka</p>
41	<p>9.5.7 Table 9.5 Block size and Minimum amount of spectrum for bidding</p> <p>**The existing holder of spectrum only in 1800 MHz band, has to bid as new entrant in 900 MHz band</p> <p>It is noted that a. Minimum bid quantity for "new entrant" for 900MHz is 5MHz.</p>	Please refer the Response to Sl. no. 10.

	<p>b. 900MHz spectrum being out to auction is lower than 5MHz in all 4 LSAs (4.6MHz in BH, 3MHz in G], 0.6MH2 in UE and 1.2MHz in UW)</p> <p>c. None of the bidders, save licensee already holding 900MHz in the above LSAs, can bid for these 900MHz spectrum.</p> <p>d. Auction objectives are</p> <ul style="list-style-type: none"> • Obtain a market determined price of Spectrum in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz & 2500 MHz Bands through a transparent process; • Stimulate competition in the sector; • Maximise revenue proceeds from the Auctions within the set parameters. <p>e. It is feasible that Bidding restricted to only existing licensee may be considered as detrimental to objectives listed above</p> <p>Please clarify that</p> <p>a. Categorization of existing holder of spectrum in 1800MHz would be as "Existing" Licensee for 900MHz Spectrum</p>	
<p>42</p>	<p>2.4 Spectrum Usage Charges</p> <p>In addition to the successful bid amount Spectrum Usage Charge as a percentage of the Adjusted Gross Revenue (AGR) shall be payable by the successful bidders as per the rates notified by the Government from time to time.</p> <p>& SUC Order P-1401O/OS/2016 dated Aug 2016</p> <p>Please clarify that</p> <p>a. SUC applicable (on spectrum being liberalized on basis of the market determined price post auctions in 2015) would be at the rate of 3%</p>	<p>SUC will be charged as per the liberalisation guideline dated 5 November, 2015 and its amendments, in conjunction with SUC Order dated 12 August, 2016.</p> <p>SUC post 2015 auction has been @5% of</p>

		<p>AGR except for revenues from wireline service.</p> <p>The SUC will be @ 3% of AGR except for revenues from wireline service on the basis of market determined price post 2016 auction</p>
<p>43</p>	<p>9.9 Frequency Identification Stage</p> <p>For 800 MHz band: - In 800 MHz band, for LSA(s) where 5MHz or more spectrum is available, for contiguous spectrum, assignment will be performed for bidders who have won a minimum of 5 MHz spectrum. In 800 MHz band one set of 5 MHz spectrum will be consisting of 4 blocks. All such Bidders will be considered for contiguous spectrum in order of their ranking, subject to availability of contiguous spectrum.</p> <p>Please clarify that</p> <p>a. If in a LSA Contiguous spectrum block is not available yet</p> <p style="padding-left: 20px;">a. either complete Contiguous block is not available yet (for e.g. Maharashtra 800MHz) or</p> <p style="padding-left: 20px;">b. some carriers of Contiguous clock is not available yet (for e.g. Andhra Pradesh 800MHz)</p> <p>Then</p> <p>how the frequency allocation for contiguous 5MHz would be ensure for first ranked bidder</p>	<p>NIA is self-explanatory. It will be as per methodology of assignment of right to use of non-contiguous spectrum as detailed in page 102-103 of NIA.</p>
<p>44</p>	<p>8.1.4 Rollout Obligations using any technology in any band</p>	<p>Please refer to</p>

	<p>The requirement of rollout obligation shall be treated as fulfilled once the required number of district headquarters or block headquarters are covered by use of any technology in any band by a licensee.</p> <p>Please clarify that</p> <p>a. rollout obligation fulfilled by use of Any technology in Any band would be permitted by means of spectrum assigned prior to the 2016 auctions</p>	<p>response at Sl No 11.</p>
<p>45</p>	<p>12.9 (C) 1</p> <p>1. Name of Applicant Company: (Note: Attach certified copy of Certificate of Registration along with Articles of Association and Memorandum of Association. Company Secretary is required to certify the copy)</p> <p>Similar text requiring Company Secretary's details are present in other places such as</p> <p>12.9. C 4</p> <p>Name of the Company Secretary certifying the documents along with his/her Membership number</p> <p>Please clarify that</p> <p>a. We draw your attention to checklist Item No. 3 in Annexure H which provides "In case of vacancy in the post of Company Secretary, an authorised signatory's signature will suffice".</p> <p>For above, we assume that the signatures of an authorised signatory will be permitted for all the submissions before the DOT in relation to Application for the current Auction for which NIA has been published. Please correct us if our understanding is wrong.</p> <p>Pls note - Section 203 (4) of Companies Act, 2013 provides that a vacancy of a Key Managerial Personnel (Company Secretary is a KMP) ought to be filled in within a period of 6 months. In case of such temporary vacancy the application should be allowed with signature of alternate signatory such as suggestions produced above.</p>	<p>Please refer to Amendment No 1 to NIA</p> <p>In case of vacancy in the post of Company Secretary, an authorised signatory's signature will suffice.</p>

	<p>Section 203 (4) of Companies Act, 2013 :- "If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy."</p>	
46	<p>6.1 (b) (i) (b) Deferred payment, subject to the following conditions: (i) An upfront payment of 50% in the case of 1800 MHz, 2100 MHz, 2300 MHz, & 2500 MHz bands, and 25% in case of 700 MHz, 800 MHz and 900 MHz bands of the final bid amount shall be made within ten (10) calendar days of issue of Demand Notice by WPF Wing of DoT.</p> <p>We request Dot that upfront payment amount should be restored to 33% in case of 1800MHz, 2100MHz, 2300MHz and 2500MHz similar to the previous 2 auctions.</p>	<p>No change envisaged in the NIA.</p>
47	<p>Additional</p> <p>Amendment to M&A guidelines No. 20 281/2010/AS-I (Vol VII) Pt. dated 10" Aug 2016 " The M&A Guidelines of 2014 would remain suspended during the time of conduct of auction of access spectrum, i.e., from the date of issue of NIA for auction of spectrum to the date of publishing of provisioning results of the auction"</p> <p>Request</p> <p>We request Dot that the amendment should be modified to "The M&A Guidelines of 2014 would remain suspended during the time of conduct of auction of access spectrum, i.e., [from the last date of submission of</p>	<p>No change envisaged in NIA.</p>

	<p>applications as per N IA for auction of spectrum to the date of publishing of provisioning results of the auction".</p>	
48	<p>9.1</p> <p>The Auction Bidders will be able to access the Electronic Auction System (EAS) to be used for participation in the auctions using web browsing software as mentioned in 10.1. The EAS is a designated computer resource for the receiving of electronic records under the provisions of Section 13(2) of the Information Technology Act, 2000, as amended from time to time.</p> <p>Suggestion It is suggested that EAS BID screen be further optimized to increase the bid space by minimizing the space used for information such as below white space on top of screen</p> 	<p>In view of the increased number of offerings, various options for filtering are being made available. This would alleviate the issue of long bidding screen.</p>
49	<p>9.1.2 Frequency Identification Stage:</p> <p>The Clock Stage will be followed by a frequency identification stage to identify specific frequency blocks for the winning bidders. The frequencies identified will be announced</p>	

	<p>simultaneous with the outcome of the Clock Stage. The Frequency Identification Stage will be performed automatically by the EAS as per procedure prescribed in Section 9.9.</p> <p>Suggestion It is suggested that EAS provide the announcement for the frequencies identified additionally in a MS-excel editable format or csv</p>	<p>Excel/ CSV Will be made available</p>
50	<p>Additional Request It is requested that DOT provide the latest information on frequencies held by various licensees to all TSPs (carriers and quantum) in a MS-excel editable format, i.e.csv (comma separated values) or xlsx (excel format)</p>	<p>Spectrum holding of all licensees has been placed on WPC Wing website (wpc.gov.in) linked to DoT website</p>
51	<p>Payment Terms (Clause 6.1, Page no. 41)</p> <p>As per clause 6.1, the interest rate of 9.3 % is being applied while the bidder opts for deferred payment. In this regard, it is submitted that the rate of interest as per the NIA is fixed at 9.3% (which as per our understanding is based upon prevailing SBI base rate). Given that generally the cost of financing is a variable dependent on changing market conditions, we would recommend and request that this be reset Yearly, thus interest rate to be yearly reset to the subsequent base rate on a particular date every year to reflect the prevalent market conditions at that point of time.</p> <p>DoT is requested to consider the request for linking the interest rate to SBI base rate and make revisions to the rate on a yearly basis accordingly.</p>	<p>No change in the NIA is envisaged.</p>
52	<p>Payment Terms (Clause 6.1, Page no. 41)</p>	<p>No change in the NIA is</p>

	<p>As per clause 6.1, the interest rate of 9.3 % is being applied while the bidder opts for deferred payment. This rate of interest is applicable only to the spectrum auctions of 2016.</p> <p>Since this rate is based upon the prevailing base rate, it is requested that the same rate of financing be also made applicable to the deferred spectrum obligations in respect of spectrum bought in previous auctions from 2012 to 2015.</p> <p>DoT is requested to consider the request and make applicable the interest rate applicable in 2016 auctions in respect of deferred payment for spectrum acquired in auctions from 2012 to 2015 also.</p>	<p>envisaged.</p>
<p>53</p>	<p>Payment Terms (Clause 6.1, Page no. 41)</p> <p>Clause 6.1 (b) (i) of payment terms states as:</p> <p>An upfront payment of 50% in the case of 1800 MHz, 2100 MHz, 2300 MHz, & 2500 MHz bands, and 25% in case of 700 MHz, 800 MHz and 900 MHz bands of the final bid amount shall be made within ten (10) calendar days of issue of Demand Notice by WPF Wing of DoT</p> <p>In this regard, it is submitted that the upfront payment in case of deferred option has been consistently kept at 33% in respect of bands other than sub-1 GHz band since the Nov, 12 auctions. Further, with the limited cash flows available with the operators, an upfront payment of 50% acts as a deterrent.</p>	<p>No change in the NIA is envisaged</p>

	<p>DoT is, therefore, requested to consider the request for revising the upfront payment in respect of bands other than sub-GHz to 33%.</p>	
<p>54</p>	<p>Length of Clock Rounds and Extension Periods (Clause 9.8.9, Page no. 88)</p> <p>Clause 9.8.9 states the following:</p> <p><i>“At the initial stage a Clock Round will be for a minimum duration of 60 minutes. The auctioneer can reduce the round duration to 30 minutes [after intimating all bidders] after 4 consecutive rounds where bidding is in less than 10 LSA- band combinations. (Round duration of next round will be restored to 60 minutes in case the bidding in subsequent round equals or exceeds 10 LSA- band combinations) and subsequently to 15 minutes [after intimating all bidders] after 4 consecutive rounds where bidding is in less than 3 LSA- band combinations. (Round duration of next round will be restored to 30 minutes in case the bidding in subsequent round equals or exceeds 3 LSA- band combinations). The auction will go to the extension mode as per the bids which are submitted by the bidder.”</i></p> <p>In this regard, it is submitted that this auction involves 7 bands as against earlier auctions wherein lesser bands had been put to auction. Greater number of bands and LSA combinations will require significant time in deliberation, decision making as well as in bid input. Therefore, clock round duration of 30 min & 15 min will be too short. DoT may consider reducing the clock round duration to 45 min in case of decreased activity.</p> <p>In view of above, DoT is therefore requested to amend the clause as below:</p> <p><i>“At the initial stage a Clock Round will be for a minimum duration of 60 minutes. The auctioneer can reduce the round duration to 45 minutes [after intimating all bidders]</i></p>	<p>Please refer to response at Sl No 12.</p>

	<i>after 4 consecutive rounds where bidding is in less than 10 LSA- band combinations (Round duration of next round will be restored to 60 minutes in case the bidding in subsequent round equals or exceeds 10 LSA- band combinations). The auction will go to the extension mode as per the bids which are submitted by the bidder.”</i>	
55	<p>Details of Price Increment Rule (Clause 12.3 – Annexure C, Page no. 125)</p> <p>It is submitted that all spectrum is liberalized and likely to be used for deployment of newer technologies. Hence, spectrum in all bands are likely to be bid by the bidders in multiple of 5 MHz irrespective of the block sizes.</p> <p>However, the price increments, when compared in terms of excess demand in MHz, are quite steep in respect of 800/ 900/ 1800 MHz bands as compared to that recommended for 700/ 2100/ 2300/ 2500 MHz bands.</p> <p>DoT is therefore requested to:</p> <ul style="list-style-type: none"> • Rationalize the price increments in 800/ 900/ 1800 MHz band in line with the increments recommended for other bands 	Please refer to response at Sl No. 9.
56	<p>2300 MHz band Carrier Details (Annexure F, Page 42 of annexures)</p> <p>It is submitted that either a part or entire frequency range being put to auction in 2300 MHz band in Annexure – F is assigned to Airtel in 9 service areas viz. Bihar, Delhi, Karnataka, Kerala, Kolkata, Mumbai, North East, Tamil Nadu and West Bengal</p> <p>DoT is requested to kindly correct the same and issue a suitable amendment in this regard.</p>	Please refer to Amendment No. 1 for revised Annexure F.
57	Details of Spectrum holding caps (Clause 12.2 - Annexure B, Page 124)	

	<p>In 2015 auctions, 0.2 MHz (paired) spectrum remained unsold in 900 MHz band in Karnataka & Haryana service areas. However, the same has not been included while determining the cap. This is not in line with the spectrum holding capping rule (Clause 9.7 (i)). In case the same is considered, the revised cap will be as below:</p> <table border="1" data-bbox="338 504 1491 758"> <thead> <tr> <th>LSA</th> <th>Spectrum Cap</th> <th>As per NIA (in MHz)</th> <th>Post considering unsold spectrum</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Haryana</td> <td>900 MHz Cap</td> <td>18.40</td> <td>18.60</td> </tr> <tr> <td>Overall Cap</td> <td>102.85</td> <td>102.95</td> </tr> <tr> <td rowspan="2">Karnataka</td> <td>900 MHz Cap</td> <td>20.00</td> <td>20.20</td> </tr> <tr> <td>Overall Cap</td> <td>108.65</td> <td>108.75</td> </tr> </tbody> </table> <p>DoT is therefore requested to kindly consider the unsold spectrum from 2015 auction and revise the spectrum cap for Haryana & Karnataka accordingly.</p>	LSA	Spectrum Cap	As per NIA (in MHz)	Post considering unsold spectrum	Haryana	900 MHz Cap	18.40	18.60	Overall Cap	102.85	102.95	Karnataka	900 MHz Cap	20.00	20.20	Overall Cap	108.65	108.75	<p>Pls refer to Amendment No. 1 for updated Annexure B.</p>
LSA	Spectrum Cap	As per NIA (in MHz)	Post considering unsold spectrum																	
Haryana	900 MHz Cap	18.40	18.60																	
	Overall Cap	102.85	102.95																	
Karnataka	900 MHz Cap	20.00	20.20																	
	Overall Cap	108.65	108.75																	
<p>58</p>	<p>Details of Spectrum holding caps (Clause 12.2 - Annexure B, Page 124)</p> <p>As per Annexure B of clause 12.2, the overall spectrum cap calculated for North East and Assam does not match with the band wise cap and is on a lower side by 1.25 MHz</p> <p>DoT is therefore requested to kindly correct the same and issue a suitable amendment in this regard.</p>	<p>Calculations (for NE and Assam) are correct.</p> <p>Please refer amendment for updated Annexure B.</p>																		
<p>59</p>	<p>Timetable (Clause 1.3, Page 11)</p>	<p>Pls refer to Amendment No.1 for revised</p>																		

	<p>As per the timetable, indicated in Clause 1.3, there is only a day's gap between the Mock Auction and the Start of the Auction.</p> <p>It is submitted that sufficient gap is required between mock auction & actual start of auction due to the following reasons:</p> <ul style="list-style-type: none"> • Any technical glitch in the mock auction may require the bidders some extra time for making themselves familiar with the auction system • Consequent to the mock auction, the bidder may be required to make some technical changes/corrections which may arise during the mock auction. <p>Due to the aforesaid reasons, it is therefore essential to have some time gap between the end of mock auction and the start of the auction.</p> <p>DoT is requested to kindly provide a gap of at least three days between end of mock auction and start of auction.</p>	<p>timeline.</p>
<p>60</p>	<p>Interference Issue:</p> <p>The issue of heavy interference in auction assigned spectrum affects the quality of service of the deployed network and impacts the desired expansion / roll out plans leading to a considerable and continuous drain on the operational cost and loss of potential revenues.</p> <p>In view of the above we request DoT to ensure that the spectrum being put to auction in all bands is free from interference and suitable for rolling out a good quality communication networks.</p>	<p>Please refer to Response at SI No. 25.</p>
<p>61</p>	<p>Effective date of Spectrum allocation (Clause 2.5, Page No. 17)</p>	<p>No change is envisaged in the</p>

	<p>Clause 2.5 defines Effective date as follows:</p> <p><i>(a) The date of frequency assignment as mentioned in the Frequency Assignment Letter specifying the frequencies to the successful bidder. It is clarified that the period of twenty (20) years shall commence from 31st day of receipt of upfront payment or the date of frequency assignment as mentioned in the Frequency Assignment Letter whichever is earlier, except in cases where frequency spots will become available the next day after expiry of current license as indicated in Annexure F of Section 12.6 of this NIA.</i></p> <p><i>(b) The spectrum in 800 & 1800 MHz bands being released due to expiry of licenses as indicated in Annexure F, the next day of the date of expiry of the existing licenses in respective LSAs shall be the 'Effective Date'</i></p> <p>In this regard, DoT is requested to that the effective date be linked only with the date of frequency assignment.</p>	<p>NIA.</p>
<p>62</p>	<p>Indexing of partial spectrum with SBI PLR rate (Clause 2.1, Page no. 13)</p> <p>The SBI PLR rate as mentioned in the illustration in the NIA is considered at 13%. The SBI PLR rate is prescribed by SBI from time to time and at varying intervals.</p> <p>Considering the changes in SBI PLR rate at varying intervals, DoT is requested to illustrate with an example the methodology for application SBI PLR based indexing (Including the duration for which the SBI PLR Rate is to be considered) on the auctioned price for spectrum to be assigned in future.</p>	<p>No change is envisaged in NIA.</p>
<p>63</p>	<p>Contiguity of spectrum in 2100 MHz band</p>	<p>Cl 9.1.3 provides for</p>

	<p>TRAI vide its recommendations dated 27.01.2016 on Valuation and Reserve Price of Spectrum in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz and 2500 MHz Bands has recommended the following:</p> <p><i>The Authority also recommends that in case a TSP is able to win more than one block of spectrum in 2100 MHz band, it should be allocated spectrum in contiguous blocks. Similarly, if the TSP already having spectrum in the 2100 MHz band, acquires additional carrier, it should be ensured that all its carriers are contiguous. (Para 2.59)</i></p> <p>However, no such commitment / endeavour is a part of the NIA.</p> <p>DoT is requested that the existing assignments and the spectrum assigned via this auction in 2100 MHz be made contiguous to ensure efficient utilization of spectrum</p>	<p>harmonisation of spectrum.</p>
<p>64</p>	<p>Frequency Identification Stage (Clause 9.9, Page No. 92)</p> <p>As mentioned in NIA, during frequency identification stage, the frequencies identified will be announced simultaneous with the outcome of the clock stage and the same will be performed automatically by the EAS.</p> <p>In this regard, it is submitted that DoT should also consider making contiguous the spectrum assigned via this auction and the auction assigned spectrum assigned to the operators vide prior auctions. Such contiguous allocation will ensure efficient utilization of spectrum.</p> <p>However, no such commitment/ endeavor for harmonizing and making contiguous the entire auction assigned spectrum is part of the NIA.</p>	<p>Cl 9.1.3 provides for harmonisation of spectrum.</p>

	<p>DoT is therefore requested that the spectrum assigned via this auction in 800 MHz, 900 MHz, 1800 MHz, 2100 MHz & 2300 MHz should be made contiguous with the existing auction assignments to ensure efficient utilization of spectrum as well as the same will also be an incentive for the bidders.</p>	
65	<p>Spectrum Put to Auction: Table A3: 900 MHz band (Clause 12.1, Page No. 119)</p> <p>The table A3 provides details related to spectrum put to auction in 900 MHz band in only four service areas namely Bihar, Gujarat, Uttar Pradesh (East) and Uttar Pradesh (West).</p> <p>Whereas, annexure F, which mentions the carrier details of spectrum being put to auction in 900 MHz band, indicates a 0.2 MHz spectrum in Haryana and 0.2 MHz spectrum in Karnataka in addition to the 4 service areas mentioned in Table A3.</p> <p>DoT is therefore requested to clarify whether the available 0.2 MHz spectrum in Haryana and Karnataka in 900 MHz band is being put to auction or not?</p>	<p>Pls refer to Amendment No.1 for updated Annexure F.</p>
66	<p>Overview of Block Sizes (Clause 9.5, Page No. 63)</p> <p>The table 9.5 mentions the block size and the minimum amount of spectrum for bidding for New Entrant and Existing licensee. In case of 900 MHz band, the minimum bid quantity for new entrant is 5 MHz It is submitted that the spectrum put to auction in 900 MHz band in all the 4 service areas is less than 5 MHz. This implies that new entrant cannot bid for any spectrum put to auction in 900 MHz band.</p> <p>However, in respect of 800 MHz band, in case the service area has spectrum less than 5 MHz, than the new entrant is allowed to bid for the entire available spectrum in 800 MHz band in that LSA.</p> <p>DoT is therefore requested, to allow similar provision in 900 MHz band so that when a new entrant bids for spectrum in 900 MHz band, he is required to bid</p>	<p>No change is envisaged in the NIA.</p>

	for the entire available quantum if the spectrum put to auction is less than 5 MHz	
67	<p>Amendment to the Guidelines of spectrum Sharing, Spectrum Trading and Spectrum Liberalization dated 10th August 2016.</p> <p>DoT vide its aforementioned amendment dated 10th August 2016 has suspended spectrum sharing, spectrum trading & spectrum liberalization guidelines dated 12.10.2015 from the date of issue of NIA for auction of the spectrum to the date of publishing of provisional result of the auction.</p> <p>In this regard, it is submitted that few spectrum sharing, spectrum trading & spectrum liberalization transactions are under process and are critical to the business and decision making.</p> <p>DoT is therefore requested to kindly amend the above amendment by making it applicable from the date of application i.e. 13th Sep 2016 to the date of publishing of provisional result, rather than from the date of issuance of NIA.</p>	No change is envisaged in NIA.
68	<p>Annexure-F, 1800 MHz Carrier Details</p> <p>Out of total spectrum 11 MHz being put to auction in Rajasthan LSA in 1800 MHz band, 3.4 MHz is presently allocated to SSTL except 11 Districts. NIA has no mention at Annexure-F whether this spectrum being put to Auction is still partial or now available in entire LSA. <u>DoT is requested to confirm that this 1800 MHz spectrum put to Auction is available for Entire Rajasthan service area.</u></p> <p><u>Other similar cases may also be examined and confirmed by the DoT before the Auction</u></p>	No partial spectrum has been put to auction in Rajasthan LSA.
69	<p>Clause-2.1, Page-13 (Partial Allocations)</p> <p>A note in this clause mentions as under: <i>In all partial assignment cases where the successful bidders are more than one, the post auction assignment of balance spectrum will be made to all the successful bidders, district wise <u>based on auction date and rank.</u></i></p>	No change is envisaged in the NIA.

	<p>This provision was first introduced in year 2015 Auction through an Amendment. However; in Auctions till 2014, this condition used to be: <i>In all partial assignment cases where the successful bidders are more than one, the post auction assignment of balance spectrum will be made to all the successful bidders, district wise simultaneously.</i></p> <p>To have a level playing field and clarity in Government's decisions, it is requested that this condition is reviewed so that the partial spectrum, whenever available, is allotted to all bidders simultaneously irrespective of Ranking of bidders in an auction. <u>We suggest this clause to be re-worded as under:</u> <i>In all partial assignment cases where the successful bidders are more than one, the post auction assignment of balance spectrum will be made to all the successful bidders, district wise <u>based on auction date and Rank</u>; however; simultaneously to all successful bidders of a particular Auction.</i></p>	
70	<p>Clause-2.4, Page-17 (Spectrum Usage Charge) As per SUC order dated 12th August, 2016, 2300/2500 MHz band spectrum allocated in 2010 and the spectrum to be won in this auction and already held Access spectrum, will be considered for calculating Weighted Average rate for charging SUC. As per the order, which is in force with immediate effect i.e. 12th August, 2016, earlier SUC order dated 05th February, 2015 has been suppressed. <u>In view of the above, DoT is requested to clarify:</u> i) <u>How the Weighted Average (SUC) will be calculated for those operators who do not participate or do not buy any spectrum in the upcoming Auction.</u> ii) <u>What rate will be applicable for charging of SUC for the interim i.e. from 12th August, 2016 till Auction.</u></p>	<p>SUC Order dated 12 August, 2016 is self-explanatory.</p>
71	<p>Clause 9.5, Page-64, Condition regarding 900 MHz & 1800 MHz to be treated as same bands This Clause mentions a condition that: <i>**The existing holders of spectrum only in 1800 MHz band, has to bid as New Entrant in 900 MHz band.</i></p> <p>On the other hand, Clause 3.2(ii) at page-20 states that: <i>Existing CMTS/UASL/UL (AS)/UL with access service authorization licensees shall be treated as 'Existing Licensee' in those LSAs for the frequency band(s) in which they already hold spectrum. Their eligibility to bid for spectrum blocks will be that of an existing operator. For the limited</i></p>	<p>Please refer to Response at Sl. No. 10.</p>

	<p><i>purpose of this provision, 900 MHz band, 1800 MHz band will be treated as the same band.</i></p> <p>DoT has always treated 900 MHz and 1800 MHz band as the same band. This additional condition at Clause 9.5 is discriminatory and restrictive for existing operators holding 1800 MHz band spectrum only from bidding in 900 MHz band as for bidding in 900 MHz band, such operators will be treated as new entrants for whom minimum block size is prescribed as 5 MHz which in any case is not put for Auction in any service area.</p> <p>This condition hence is discriminatory and against the principle of fair competitive Auction process and favors only few operators already holding spectrum in 900 MHz band.</p> <p><u>DoT is therefore requested to review this condition from Clause 9.5 regarding treating existing holders of spectrum only in 1800 MHz band as new Entrant for 900 MHz band.</u></p>																																					
72	<p>Table-9.5, Clause 9.5, Page-63, Minimum Amount of Spectrum for Bidding for New Entrants</p> <p>Table 9.5 prescribes Minimum spectrum for bidding to be 5 MHz for new entrants in 1800/900 MHz bands. However, there are several service areas where quantum of spectrum put to Auction itself is less than 5 MHz Details of such cases are as under:</p> <table border="1" data-bbox="703 746 1337 1337"> <thead> <tr> <th>Service Area</th> <th>900 MHz</th> <th>1800 MHz</th> </tr> </thead> <tbody> <tr> <td>Andhra Pradesh</td> <td></td> <td>4.4</td> </tr> <tr> <td>Bihar</td> <td>4.6</td> <td></td> </tr> <tr> <td>Gujarat</td> <td>3.0</td> <td></td> </tr> <tr> <td>Karnataka</td> <td></td> <td>4.2</td> </tr> <tr> <td>Kerala</td> <td></td> <td>2.0</td> </tr> <tr> <td>Kolkata</td> <td></td> <td>4.0</td> </tr> <tr> <td>Madhya Pradesh</td> <td></td> <td>4.6</td> </tr> <tr> <td>Mumbai</td> <td></td> <td>4.8</td> </tr> <tr> <td>Orissa</td> <td></td> <td>1.4</td> </tr> <tr> <td>UP (East)</td> <td>0.6</td> <td></td> </tr> <tr> <td>UP (West)</td> <td>1.2</td> <td></td> </tr> </tbody> </table>	Service Area	900 MHz	1800 MHz	Andhra Pradesh		4.4	Bihar	4.6		Gujarat	3.0		Karnataka		4.2	Kerala		2.0	Kolkata		4.0	Madhya Pradesh		4.6	Mumbai		4.8	Orissa		1.4	UP (East)	0.6		UP (West)	1.2		
Service Area	900 MHz	1800 MHz																																				
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	<p>Minimum quantum to be bid by New Entrants 05 MHz is restrictive and limits many operators from bidding in these bands as 05 MHz is not being auctioned in these service areas and favors only few operators already holding spectrum in these bands in these service areas.</p> <p>Further, there are cases where present licenses are expiring in 2017-18 and 4.4 MHz spectrum held by them is put to Auction in some of these service areas. As per Auction rules, such expiring licenses are to be treated as New entrants for the Auction who will be required to bid for a minimum of 5 MHz however due to non-availability of spectrum and this restrictive condition, they will not be able to safeguard their existing operations.</p> <p>In view of Spectrum Sharing & Spectrum Trading guidelines already in place, even if a TSP acquires 0.6 MHz spectrum in the Auction, business case may be developed by TSPs with these alternate options. This will be in line with TRAI Recommendations dated 02nd July, 2015.</p> <p><u>In view of above, DoT is requested to reduce the minimum quantum for bidding in such LSAs to 0.6 MHz for New Entrants as well.</u></p>	<p>No change is envisaged in the NIA.</p>
<p>73</p>	<p>Clause-8.1.4, Page-51, Rollout obligation using any technology in any band This clause states that: <i>The requirement of rollout obligation shall be treated as fulfilled once the required number of DHQ/ BHQ is covered by use of any technology in any band by a licensee.</i> <u>With respect to this clause, DoT is requested to clarify/ confirm that:</u> i) <u>Rollout obligations for a band say 700 MHz acquired in this Auction will be treated as fulfilled if the required number of DHQ/BHQ is already covered by using any technology in any other band say 1800 MHz band which is either assigned administratively or through Auction in the past.</u> ii) <u>This condition will be applicable for fulfillment of Rollout obligations of the Spectrum acquired in Auction irrespective of the Auction date to ensure a level playing field.</u></p>	<p>Please refer to response at Sl No 11.</p>
<p>74</p>	<p>Clause 9.1.3, Page-59, Frequency Reconfiguration DoT has already concluded harmonization exercise of 800/1800 MHz bands which has resulted in contiguity of all spectrum acquired through market (trading/Auction) or has been liberalized. In case a TSP acquires spectrum in any band in this auction such as in 800 MHz, 900 MHz, 1800 MHz, 2100 MHz or 2300/2500 MHz bands, NIA provides no clarity whether TSP's existing</p>	<p>Please refer to Response at Sl. No. 3, 18.</p>

	<p>holding of spectrum acquired through Auction, Trading or Liberalized after payment of market price will be made contiguous to the spectrum acquired through this Auction or not and what will be the timelines for the same.</p> <p><u>We request clarity from DoT:</u> <u>Whether Harmonization/ Frequency Reconfiguration will be done after this Auction or not?</u> <u>If yes, what are the timelines?</u></p>	
75	<p>Table A3, Annexure-A, Page-119, 900 MHz Band This table does not cover 6.2 MHz each in 900 MHz band in Delhi & Mumbai service areas for Auction, which is presently allocated to MTNL and expiring in October 2017. <u>Needs clarity from DoT why the expiring spectrum of MTNL in Delhi & Mumbai is NOT put to Auction.</u></p>	<p>Spectrum of MTNL is expiring on 4th April 2019.</p>
76	<p>Clause 9.7, Page-64, Spectrum Holding Capping Rule Clause 9.7 (iii) states that: <i>In case a situation arises where due to any subsequent assignment of spectrum to defence/ non-commercial usage, spectrum cap is affected adversely, no TSP would be asked to surrender right to use of any spectrum which it already holds. For the sake of level playing field among Telecom Service Providers (TSPs), the same spectrum cap shall be made applicable for all the telecom service providers in that LSA.</i> Due to additional allocation of 02 blocks (2.5 MHz) in 800 MHz for Government/Defence usage in J&K, NE & Assam LSAs, CAP in these LSAs is reduced from the earlier CAP prescribed in 2015. In view of Government decision as stated in 9.7 (iii) above, we Request DoT that <u>Spectrum Cap in NE, Assam & J&K service areas needs to be retained at the same level as that of 2015 to ensure Level Playing Field.</u></p>	<p>Please refer Amendment No. 1 for updated Annexure B.</p>
77	<p>Annexure-B, Page-124, 800 MHz Band Cap There is no spectrum put to Auction in J&K service area in 800 MHz band. This is due to the reason that additional spectrum made available through harmonization/ rearrangement of 800 MHz band is assigned to Defence forces, leaving no spectrum for Auction. Further, Spectrum Cap has also been reduced to 6.25 MHz (paired) for J&K service area in 800 MHz band. With No Additional spectrum put to Auction, there is no growth path for TSPs operating in 800 MHz band in J&K service area. Reduction in Spectrum Cap is further acting as artificial barrier</p>	<p>Please refer to Amendment No. 1 for updated Annexure B.</p> <p>No change is envisaged with</p>

	<p>for TSPs, restricting them from leveraging their existing holdings through Spectrum Sharing/ Trading.</p> <p><u>To ensure some growth path for TSPs already operating in J&K service area using 800 MHz band, DoT is requested to review the Spectrum Cap and increase the same to at least 7.5 MHz which will allow existing TSPs to leverage their existing spectrum holding to the best possible level.</u></p>	<p>respect to spectrum caps in J&K LSA.</p>																																												
78	<p>Amendment to M&A Guidelines</p> <p>DoT has amended M&A guidelines on 10th August, 2016 vide which it has suspended M&A guidelines during the Auction i.e. from the date of Issue of NIA till provisional results. There is no rationale for this and applications for M&A should be accepted at least till date of filing application for Auction i.e. 09th Sept - 13th Sept, 2016.</p> <p><u>DoT is requested to accordingly amend the instructions dated 10th August, 2016 and M&A guidelines should remain in force till 08th September 2016, i.e. date of application for Auction.</u></p>	<p>No change is envisaged in the NIA.</p>																																												
79	<p>Clause-5.6.2, Page-39, Sharing allowed only after One Year</p> <p>As per this clause, <i>TSP will be allowed to share spectrum in a particular band only after one year from the date of 'Frequency Assignment' in that band acquired through this auction.</i></p> <p>There is no clarity whether existing Spectrum Sharing arrangements will be impacted if Spectrum is acquired in the Same Band in the same service areas in this Auction.</p> <p>In view of the above, we request DoT that <u>Existing Arrangements between TSPs should be exempted from this Clause 5.6.2 and they should be allowed to continue even if a TSP acquires any spectrum in the same band in same service area in the auction.</u></p>	<p>Please refer to response at SI No. 37.</p>																																												
80	<p>Annexure-A, Page 117-123, EMD requirements</p> <p>NIA prescribes EMD requirements for different bands for different LSAs per block. Further analysis of this EMD, applicable per Reserve Price/block is as under:</p> <table border="1"> <thead> <tr> <th rowspan="2">S. No</th> <th rowspan="2">LSA</th> <th colspan="8">EMD as a %age of Reserve Price/ Block</th> </tr> <tr> <th>700 MHz</th> <th>800 MHz</th> <th>900 MHz</th> <th>1800 MHz</th> <th>2100 MHz</th> <th>2300 MHz</th> <th>2500 MHz</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>AP</td> <td>10%</td> <td>8%</td> <td></td> <td>15%</td> <td>9%</td> <td>9%</td> <td>9%</td> </tr> <tr> <td>2</td> <td>ASM</td> <td>8%</td> <td></td> <td></td> <td>13%</td> <td>13%</td> <td>15%</td> <td>15%</td> </tr> <tr> <td>3</td> <td>BHR</td> <td>10%</td> <td>9%</td> <td>17%</td> <td>24%</td> <td>14%</td> <td>13%</td> <td>13%</td> </tr> </tbody> </table>	S. No	LSA	EMD as a %age of Reserve Price/ Block								700 MHz	800 MHz	900 MHz	1800 MHz	2100 MHz	2300 MHz	2500 MHz	1	AP	10%	8%		15%	9%	9%	9%	2	ASM	8%			13%	13%	15%	15%	3	BHR	10%	9%	17%	24%	14%	13%	13%	<p>No change in the NIA.</p>
S. No	LSA			EMD as a %age of Reserve Price/ Block																																										
		700 MHz	800 MHz	900 MHz	1800 MHz	2100 MHz	2300 MHz	2500 MHz																																						
1	AP	10%	8%		15%	9%	9%	9%																																						
2	ASM	8%			13%	13%	15%	15%																																						
3	BHR	10%	9%	17%	24%	14%	13%	13%																																						

4	DEL	6%	11%		9%	9%	8%	8%
5	GUJ	10%	17%	11%	16%	9%	15%	15%
6	HAR	13%	11%		11%	11%		9%
7	HP	9%	10%		16%	15%	10%	10%
8	J&K	12%			19%	14%		10%
9	KTK	13%	16%		20%	15%	12%	12%
10	KER	14%	10%		18%	14%	9%	9%
11	KOL	8%	15%		10%	10%	9%	9%
12	MP	15%	12%		18%	10%	9%	9%
13	MA H	8%	12%		12%	14%	10%	10%
14	MU M	8%	13%		13%	10%	8%	8%
15	NE	14%			23%	13%	10%	10%
16	ODS	8%	11%		13%	16%	19%	19%
17	PUN	16%	10%		19%	13%		14%
18	RAJ	13%	12%		16%	9%		13%
19	TN	11%	13%			14%	9%	9%
20	UPE	10%	11%	10%	13%	11%		17%
21	UPW	13%	13%	10%	16%	11%		13%
22	WB	13%	15%		11%	12%	15%	15%
		11%	12%	12%	15%	12%	11%	12%

It is clear from the above that EMD deposit requirements (in the form of Bank Guarantee) in more than 80% of the cases is more than 10% of the Reserve Prices per Block.

Since EMD deposit is a requirement for submission of Application for prequalification, such a high amount is a deterrent for the participation in the Auction.

DoT is requested to kindly review the amount of EMD to be deposited for pre-qualification. It can be rationalized at 10% of the Reserve Price per block across all spectrum bands for Auction.

<p>81</p>	<p>Clause-9.8.9, Page-87-88, Length of Clock Rounds and Extension Period This clause states that: <i>At the initial stage, a Clock Round will be for a minimum duration of 60 minutes. The auctioneer can reduce the round duration to 30 minutes [after intimating all bidders] after 4 consecutive rounds where bidding is in less than 10 LSA- band combinations. (Round duration of next round will be restored to 60 minutes in case the bidding in subsequent round equals or exceeds 10 LSA- band combinations) and subsequently to 15 minutes [after intimating all bidders] after 4 consecutive rounds where bidding is in less than 3 LSA- band combinations.</i> This is an additional condition which was not a part of earlier Auctions and respective NIAs. We believe that this condition should not be added in this Auction also as bidders are expected to require more time for deliberations during the rounds since more number of bands are on Auction this time. <u>In view of the above, DoT is requested to Set the “Length of Clock Round” as:</u> i) <u>90 Minutes for Day-1 of Auction OR First 5 Rounds;</u> ii) <u>Minimum 60 Minutes for subsequent Rounds.</u></p>	<p>Please refer to response at Sl No 12 & 54.</p>
<p>82</p>	<p>Clause-1.3, Auction Timetable As per the Auction Timetable, DoT has prescribed the Date of “Start of Auction” as 29th September, 2016. <u>DoT is requested to postpone the Date of “Start of Auction” to 01st October, 2016 so that it starts with start of Auspicious period.</u></p>	<p>Please refer to response at Sl No 13.</p>
<p>83</p>	<p>Clause 9.1.3 Frequency reconfiguration: This clause details the provisions for Frequency reconfiguration of spectrum for better efficiency. In that context, we submit that in case an operator is currently holding liberalized spectrum acquired through any of the auctions of 2010, 2012, 2014 & 2015 (except 2013) and that same operator subsequently acquires spectrum in the same frequency band and is allotted frequencies in a non-contiguous manner. We request that the DoT may endeavour to ensure spectrum contiguity for such service provider with fixed timelines to initiate the frequency reconfiguration exercise. DoT may clearly specify the policy of making liberalised spectrum contiguous in all bands, our suggestions are as below: a. For 800 and 1800 MHz band the timelines for carrying out the frequency reconfiguration exercise may be prescribed in advance. b. For spectrum in 2300 MHz band the DoT may clarify that in case of an existing holder</p>	<p>Please refer to response for Sl. No. 18.</p>

	<p>emerges as a successful bidder, the first preference will be given to it while allocating frequencies in order to ensure contiguous spectrum. In case of both the existing holders emerge as successful bidder, the ranking will be used to allocate frequencies.</p> <p>We submit that Government may mandate the aforementioned measures for frequency reconfiguration. We request timelines and rules for the same should be notified before the auction itself.</p>	
84	<p>Clause 8.1.8 Performance Bank Guarantee: The amount of PBG to be maintained in-lieu of guarantee for roll-out obligation compliance is calculated based on maximum non-compliance. Therefore in case of phase wise roll-out obligations, there shall be a provision to reduce the PBG amount on successful completion of a phase of roll-out obligations. We submit that Government may issue suitable amendment to the clause. Clause 8.1.4 of NIA 2016 mentions that roll-out obligations will be fulfilled; once requisite geographical coverage is achieved by use of any technology in any band. The roll-out obligations are divided in three sets based on the spectrum band. The first set comprises spectrum in 700 MHz, 800 MHz, 900 MHz and 1800 MHz; the second set comprised spectrum in 2100 MHz and the last set comprises spectrum in 2300 MHz and 2500 MHz As per our understanding, the clause 8.1.4 should be amended as below: “In case the service provider completes the roll out obligations using one spectrum band in a service area, then it need not fulfil the roll-out obligations under all other bands with the same set of roll out obligations in a licensed service area.”</p> <p>We submit that Government may please consider amendment to this effect.</p>	No change is envisaged in NIA.
85	<p>For calculations of deferred payment, interest rate applicable is 9.3% which is the SBI Base lending rate, whereas for calculating the future spectrum value, indexing has been done with SBI PLR rate of 13% as illustrated in Section 2.1, also for overdue payments penal interest shall be late charged at SBI PLR as mentioned in Clause 6.1 (b) (viii). Hence request DoT to simplify and use uniform interest rate for all payment related calculations</p>	No change is envisaged in the NIA.
86	<p>Given there are existing operators in 2300 MHz band, how will interference issues between new and existing operators in 2300 MHz band be resolved?</p>	No interference is expected between new

		and existing operators in 2300 MHz band.
87	<p>Clause 2.1 Note: regarding availability of spectrum in a few of districts and payment thereof <i>...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 finalization of bid price and actual assignment made.</i></p> <p>In current form this implies that the successful bidder will get the auctioned spectrum at a higher rate and for lesser duration. This anomaly may be corrected suitably.</p>	No change is envisaged in the NIA.
88	<p>Clause 2.5 Duration on Effective Date stated that. ‘Effective Date’ shall be: <i>“The date of frequency assignment as mentioned in the Frequency Assignment Letter specifying the frequencies to the successful bidder. It is clarified that the period of twenty (20) years shall commence from 31st day of receipt of upfront payment or the date of frequency assignment as mentioned in the Frequency Assignment Letter whichever is earlier.”</i></p> <p>We submit that Government may mandate that effective date should be the date of allocation of frequency</p>	No change is envisaged in the NIA.
89	<p>Clause 2.2 Backhaul spectrum: We request Government please provide some visibility on the availability of backhaul spectrum and publish the “usual processes, terms and conditions, and applicable charges” governing the allocation of backhaul spectrum in interest of transparency and allowing bidders to make an informed bid.</p>	No change is envisaged in the NIA.
90	<p>All 2/4 blocks in 2500 MHz have different characteristics with respect to interference. Therefore we request that based on the ranking, the successful bidder should get choice for selecting the required block at the time of frequency identification stage.</p>	No change is envisaged in the NIA. NIA is self-explanatory.

<p>91</p>	<p>Newer technologies require contiguous spectrum for operations. Minimum bid quantity for new bidder should be restricted to maximum available quantum of contiguous spectrum in all bands. This has been followed in 2015 Auction in 1800 MHz band and has other precedents as well. We request confirmation of this rule for all spectrum bands in 2016 auction as well to promote efficient utilisation of spectrum.</p>	<p>No change is envisaged in the NIA. NIA is self-explanatory.</p>
<p>92</p>	<p>NIA dated 08.08.2016 states that the definition of Existing Licensee and New Entrant is as given in para 3.2 of the NIA. Para 3.2 (iii) states that <i>“The bidder whose license is due for expiry in 2017-18 and whose spectrum in 800 / 1800 MHz bands has been put to auction, (and does not hold spectrum bought through previous auctions in that LSA and band [800 / 1800 MHz]) will also be treated as ‘New Entrants’”</i>. Para 4.2 of NIA however, reads as”..... <i>Companies whose licenses are expiring in 2017-18 are treated as new entrants for this auction.....”</i>.</p> <p>TTSL’s license in Andhra Pradesh is expiring in September 2017. TTSL had bought 3.75 MHz in 800 MHz band and 2.6 MHz in 1800 MHz band in the previous auction held in February/March 2015. As per our understanding of the para 3.2(iii) of the NIA, TTSL will be treated as an Existing Licensee for the 800 and 1800 MHz bands in Andhra Pradesh and thus all conditions attached with the ‘Existing Licensee’ category will apply to TTSL (i.e. if TTSL bids in Andhra Pradesh circle for 1800 or 800 MHz bands, there will be no net worth requirement and it can bid for any number of blocks).</p> <p>Similarly, TTML’s two licenses in Mumbai & Maharashtra are also expiring in September 2017 and TTML has bought 2.5 MHz each in 800 MHz in previous auctions. As per our understanding of the para 3.2(iii) of the NIA, TTML will be treated as an Existing Licensee if it bids only in 800 MHz band in Mumbai & Maharashtra and thus all conditions attached with ‘Existing Licensee’ category will apply to TTML for that band. In other bands, say 1800 MHz, TTML will be treated as a New Entrant.</p> <p>Please confirm that our above understanding in relation to para 3.2(iii) is correct and TTSL will be considered as Existing Licensee in 800 & 1800 MHz band in Andhra Pradesh while TTML will be treated as Existing Licensee in 800 MHz band in Mumbai and Maharashtra and net worth requirement is not applicable.</p>	<p>The understanding is confirmed. TTSL will be considered as Existing Licensee in 800 & 1800 MHz band in Andhra Pradesh while TTML will be treated as Existing Licensee in 800 MHz band in Mumbai and Maharashtra and net worth requirement is not applicable.</p>

93	<p>During the last auction held in March 2015, there were licensees whose licenses were expiring in 2015-16 and they had already acquired some spectrum in 1800 MHz band during the previous auctions. In such a situation, they were not required to bid for minimum quantity of 5 MHz As per clause 2.1 (a) of NIA 2015, new entrants were required to bid for minimum of 5 MHz (paired) spectrum. Those licensees, whose permits were expiring in 2015-16 and who did not hold any spectrum in 1800 MHz band through auctions held since November 2012, were required to bid for minimum of 5 MHz (paired). But, <u>the licensees whose permits were expiring in 2015-16 and held any spectrum in 1800 MHz band won through auction since November 2012 were required to bid for minimum of 0.6 MHz (paired).</u> There is no such clause for 1800 MHz band in the current NIA dated 08.08.2016.</p> <p>In the forthcoming auction, there would be operators like TTL, whose three licenses in Andhra Pradesh, Mumbai and Maharashtra circles are expiring in September 2017, and who have taken spectrum in these circles in the last auction in bands such as 800 MHz &/ or 1800 MHz band. In this situation, as per the above principle established in the March 2015 auction, TTL should be required to bid for minimum of 1.25 MHz in 800 MHz band instead of 5 MHz in Mumbai, Maharashtra and Andhra Pradesh and minimum of 0.6 MHz in 1800 MHz band in Andhra Pradesh.</p> <p>Request you to issue an amendment to the NIA dated 08.08.2016 to incorporate that the licensees whose permits are expiring in 2017-18 and held any spectrum in 1800 MHz and 800 MHz band won through auction held in 2015 are required to bid for minimum of 0.6 MHz (paired) in 1800 MHz and 1.25 MHz in 800 MHz band respectively.</p>	<p>No change in the NIA conditions.</p>
94	<p>Para 3.2 (x) of NIA dated 08.08.2016 on Lock-in Conditions states that <i>“There shall be a Lock-in period for equity of a person whose share capital is 10% or more in the bidding company/Group Bidding Entity/ Associated Licensee/ Nominee Company on the date of submission of application for participating in this auction and whose net worth has been taken into consideration for determining the eligibility for bidding for spectrum, till completion of one (1) year from the effective date as defined in this NIA.”</i></p> <p>Tata Teleservices Limited (TTSL) is Group Bidding Entity and it will bid for itself and also on behalf of its associated licensee, Tata Teleservices (Maharashtra) Limited (TTML). TTSL & TTML</p>	<p>Lock-in period is to be counted separately for each band.</p>

	<p>both have negative net worth. Tata Sons Limited is promoter of TTSL as well as TTML. Please clarify the following:</p> <p>A. If TTSL bids only for Andhra Pradesh circle where it is considered as Existing Licensee (for 800 & 1800 MHz bands) and hence does not need minimum positive net worth and it also bids for circles of TTML which are not treated as existing licensee (for 1800 MHz band), and TTML's Promoter offers its net worth to TTML to meet the minimum net worth requirement – we believe that the Promoter Lock-in condition will apply only to Promoter's shares in TTML. Promoter's shares in TTSL will not have a lock in by virtue of it being the group bidding entity. Please confirm.</p> <p>B. If TTSL wins spectrum in two bands say 1800 & 2100 in an LSA where (its license is expiring in September 2017 and as it has not bought spectrum in those two bands in previous auction) it is a New Entrant, the effective date in case of 1800 MHz is the date of expiry of license say September 2017 and effective date of 2100 MHz is one month after completion of auction. In this situation, if there are two effective dates in the same circle, how will the effective date for the lock-in be determined?</p> <p>C. Also, it is possible that spectrum in the same band say 1800 MHz itself is allocated at different times – some upfront from existing inventory and some down the road when vacated on license expiry by the current owner. In such a case which of many dates will be counted as the effective date?</p>	
<p>95</p>	<p>As per Table 9.5 page No 63 of the NIA dated 08.08.2016, a New Entrant is required to bid for a minimum of 5 MHz (paired) of spectrum in 1800 MHz band. However, the total spectrum put up for auction in 1800 MHz band in certain markets is less than the minimum threshold of 5 MHz. In Mumbai for example, it is only 4.8 MHz. Tata Teleservices (Maharashtra) Limited (TTML's) UAS license is expiring in September 2017 and it has not acquired any spectrum in this band during previous auctions. Therefore, TTML will be treated as a New Entrant in 1800 MHz band in Mumbai, and under the current NIA terms will have to bid for a minimum of 5 MHz (paired). Thus it will be denied an opportunity to acquire any spectrum in 1800 MHz band and as a result, will be forced to shut down its wireless service in Mumbai.</p> <p>It may kindly be noted that the NIA dated 09.01.2015 (issued for the auction held in March 2015)</p>	<p>No change in the NIA conditions.</p>

	<p>had made a provision in “para 2.1 (a) (iii)” which helped to avoid such a situation and provided a more equal opportunity to Existing as well New Entrants,</p> <p>Quote <i>“In the LSAs, where total of 5 MHz (paired) or more spectrum is not available or where 5 MHz (paired) or more spectrum is available but contiguous chunk of 5 MHz (paired) is not available in 1800 MHz band, the new entrants as well those licensees whose licenses are expiring in 2015-16 would be required to bid for a minimum of 0.6 MHz (paired).”</i> Unquote</p> <p>Thus, there is already an established precedent set during the last auction that a licensee, whose license is expiring in a particular circle and where the total spectrum put up for auction happens to be less than 5 MHz in the 1800 MHz band, has been given an opportunity to acquire a lesser quantity of spectrum in that band i.e. a minimum of 0.6 MHz.</p> <p>Further, the Government, by virtue of its very progressive and far sighted spectrum trading and sharing policies, has created alternate avenues besides auctions for an operator to source spectrum for its needs. An operator could supplement any spectrum acquired through auctions with spectrum either traded or shared with another operator(s). However, as per the current spectrum sharing guidelines dated 24.09.2015, an operator needs to have some quantity of spectrum in a particular band to be able to share spectrum with another operator. Spectrum sharing is not allowed in case an operator does not have any spectrum in that particular band.</p> <p>In the current scenario, if TTML is allowed to bid and acquire a minimum of 0.6 MHz in 1800 MHz band in Mumbai, this will make it eligible for spectrum sharing in Mumbai. This will provide an opportunity to TTML to continue its service by sharing from other operator thus creating one more opportunity of reducing the potential risk of the company being forced to shut wireless operations in a circle.</p> <p>Further, given the very limited amount of spectrum in 1800 MHz band that is being put up for auction in circles like Mumbai, and where demand is expected to far outstrip supply, it is also important to ensure that the auction process itself does not lead to distortions in bidding. Given the limited spectrum on sale and demand likely to be far in excess of supply, if one operator had to bid say a minimum of 4.8 MHz and all others could bid a minimum of 0.6 MHz, the bidding</p>	
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	<p>process would be very uneven again putting the New Entrant at a very serious disadvantage in terms of being able to compete equally in the auction process.</p> <p>In view of the above, we would request you to kindly issue an amendment to the NIA dated 08.08.2016 whereby a New Entrant is allowed to bid for a minimum of 0.6 MHz or its multiple in 1800 MHz band (as was done during the last auction held in March 2015) in circles where less than 5 MHz of spectrum is available for auction as in the case of Mumbai where only 4.8 MHz is available for auction.</p>	
96	<p>An Existing Licensee, holding UAS License in a Circle, wants to bid for 2100 MHz in the same Circle where it does not hold any 2100 MHz spectrum. So, it will bid as New Entrant. If 2100 MHz is won through the auction, does such an Existing Licensee compulsorily need to migrate to Unified License or will its existing UAS license be amended for usage of the 2100 MHz band?</p>	<p>Yes, It will be new entrant. The existing UAS license will be amended for usage of the 2100MHz band.</p>
97	<p>As per para 8.1.4 of NIA, the requirement of rollout obligation shall be treated as fulfilled once the required number of district headquarters or block headquarters are covered by use of any technology in any band by a licensee. If a licensee has completed its rollout obligation with spectrum allocated administratively at DHQ/BHQ level as part of its existing license, and it acquires spectrum through the current auction, then its rollout obligation should be treated as completed. Please clarify.</p>	<p>Please refer to response at Sl No 11.</p>
98	<p>In case of vacancy in the Company Secretary, an authorized signatory's signature will suffice in the documents which are required to be signed by the Company Secretary. Please confirm.</p>	<p>Please refer to response at Sl No 45.</p>